REFLECT SCIENTIFIC INC
Form 424B3
December 21, 2007

PROSPECTUS

REFLECT SCIENTIFIC, INC.

4,653,846 shares of Common Stock, 0.01 par value

This prospectus relates to periodic offers and resales of an aggregate of 4,653,846 shares of our common stock held by certain selling security holders which includes:

3,946,154 shares of our common stock underlying 12% senior convertible debenture;

807,692 shares of our common stock underlying future interest payments.

All shares are being offered through the selling security holder. We will not receive any proceeds from the sale of the shares by the selling security holders. The shares of common stock are being offered for sale by the selling security holders at prices established on the OTC Bulletin Board (OTCBB) or other trading markets or exchanges where our stock trades or by agreement between selling security holder and the buyer during the term of this offering. There are no minimum purchase requirements. These prices will fluctuate based on the demand for the shares of common stock. Our common stock is quoted on the OTCBB under the symbol RSCF. On November 19, 2007, the closing price for our common stock was $1.45 of per share.

A current prospectus must be in effect at the time of the sale of the shares of common stock offered herein. Each selling shareholder of the common stock is required to deliver a current prospectus upon the sale. In addition, for the purposes of the Securities Act of 1933, selling shareholders may be deemed underwriters. Therefore, the selling shareholder may be subject to statutory liabilities if the registration statement, which includes this prospectus, is defective by virtue of containing a material misstatement or failing to disclose a statement of material fact.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 5 of this prospectus to read about the risks of investing in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is December 21, 2007.

REFLECT SCIENTIFIC HAS NOT REGISTERED THE SHARES FOR SALE BY THE SELLING SHAREHOLDERS UNDER THE SECURITIES LAWS OF ANY STATE. BROKERS OR DEALERS EFFECTING TRANSACTIONS IN THE SHARES SHOULD CONFIRM THAT THE SHARES HAVE BEEN REGISTERED UNDER THE SECURITIES LAWS OF THE STATE OR STATES IN WHICH SALES OF THE SHARES OCCUR AS OF THE TIME OF SUCH SALES, OR THAT THERE IS AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES LAWS OF SUCH STATES.

THIS PROSPECTUS IS NOT AN OFFER TO SELL ANY SECURITIES OTHER THAN THE SHARES. THIS PROSPECTUS IS NOT AN OFFER TO SELL SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER IS UNLAWFUL.

REFLECT SCIENTIFIC HAS NOT AUTHORIZED ANYONE, INCLUDING ANY SALESPERSON OR BROKER, TO GIVE ORAL OR WRITTEN INFORMATION ABOUT THIS OFFERING, REFLECT SCIENTIFIC, OR THE SHARES THAT IS DIFFERENT FROM THE INFORMATION INCLUDED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. YOU SHOULD NOT ASSUME THAT THE INFORMATION IN THIS PROSPECTUS, OR ANY SUPPLEMENT TO THIS PROSPECTUS, IS ACCURATE AT ANY DATE OTHER THAN THE DATE INDICATED ON THE COVER PAGE OF THIS PROSPECTUS OR ANY SUPPLEMENT TO IT.

IN THIS PROSPECTUS, REFERENCES TO REFLECT SCIENTIFIC, THE COMPANY, WE, US, A OUR, REFER TO REFLECT SCIENTIFIC, INC., AND ITS SUBSIDIARIES.

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Prospectus Summary

This summary highlights information contained in this prospectus and may not contain all of the information that should be considered prior to investing in our shares. We encourage you to read this prospectus in its entirety, with particular attention to the information under Risk Factors and our consolidated financial statements and related notes included in this prospectus.

THE OFFERING

Securities offered by Selling Stockholders	4,653,846 shares of common stock
Common stock outstanding before the offering	34,019,483
Common stock to be outstanding after the offering	38,673,329
Use of proceeds	The only proceeds will be from the exercise of warrants. Initially, we do not expect the warrants to be exercised until all of the Debentures are converted. If the warrants are exercised, we will use the funds received for general working capital.
OTC bulletin board symbol	RSCF
Risks	As part of your evaluation, you should take into account not only our business approach and strategy, but also special risks we face in our business. For a detailed discussion of these risks and others, see Risk Factors beginning on page 5.

Overview

Reflect Scientific is engaged in the manufacture and distribution of products targeted at the life science market. Our customers include hospitals and diagnostic laboratories, pharmaceutical and biotech companies, universities, government and private sector research facilities as well as chemical and industrial companies.

Reflect Scientific was organized under the laws of the State of Utah on November 3, 1999, under the name Cole, Inc. On December 31, 2003, we acquired Reflect Scientific, Inc., a California corporation and currently our wholly-owned subsidiary, changed our name to Reflect Scientific, Inc. and succeeded to the business operations of Reflect Scientific, Inc., that involved the manufacture and distribution of laboratory consumables and disposables such as filtration and purification products, customized sample handling vials, electronic wiring assemblies, high temperature silicone, graphite and vespel/graphite sealing components for use by original equipment manufacturers (OEM) in the chemical analysis industries, primarily in the field of gas/liquid chromatography. Since the acquisition of our lifescience business, we have acquired several other companies in an effort to expand our product lines and expertise.

Our goal is to provide our customers with the best solution for their needs. This philosophy extends into our business strategies and acquisition plans. Through a series of strategic acquisitions in 2006 and 2007, we now offer a greatly expanded line of products that take advantage of market needs. Our growing product portfolio includes ultra low temperature freezers and chemical detectors, in addition to supplying OEM products to the life science industry.

Our Visacon brand chemical detectors provide our OEM customers a cost effective detection product that allows them to extend their markets. Detectors use patented optical detection technologies that can be tailored for pharmaceutical, biotechnology or other life science applications.

Our Cryometrix brand ultra low temperature freezers innovative design enables our customers to save on energy costs related to cryogenic storage. Ultra low temperature freezers are used world wide for the storage of vaccines, DNA, RNA, proteins and many other biological and chemical samples. There is a growing need for energy efficient, reliable ultra low temperature storage units. We will continue to expand into this growing market with the Cryometrix freezer.

Summary of Financial Information

We reported revenues of approximately $5,939,251 and a net loss of approximately $2,517,537 for the nine-month period ended September 30, 2007. At September 30, 2007, we had cash and cash equivalents of approximately $1,335,750 and working capital of approximately $2,904,285, which represented an increase in working capital of approximately $2,135,431 from the amount reported at December 31, 2006, of approximately $768,854. The increase in our working capital is related to funds received as a result of the completion of a private placement of 12% senior convertible debentures in which we raised $2,500,000. We believe our revenue stream will increase as we continue to grow our business, allowing us to continue to meet our existing and new financial obligations.

The following table shows selected summarized financial data for Reflect Scientific at the dates and for the periods indicated. The data should be read in conjunction with the financial statements and notes included in this prospectus beginning on page F-1.

STATEMENT OF OPERATIONS DATA:

	For the Year Ended December 31, 2006 (Audited)	**For the Year Ended December 31, 2005 (Audited)**	**For the Nine Months Ended September 30, 2007 (Unaudited)**
Revenues	$2,572,955	$2,241,069	$5,939,251
Cost of Goods Sold	$1,519,547	$1,323,883	$3,341,277
Operating Expenses	$2,181,850	$852,862	$4,250,004
Net Income (Loss)	$(978,630)	$38,163	$(2,517,537)
Basic Income (Loss) per Share	$(0.03)	($0.03)	$(0.08)

Weighted Average Number of Shares Outstanding	28,432,024	24,441,014	31,780,093

BALANCE SHEET DATA:

	December 31, 2006	**September 30, 2007 (Unaudited)**
Total Current Assets	$1,039,277	$3,580,738
Total Assets	$6,342,473	$10,446,216
Total Current Liabilities	$270,423	$676,453
Working Capital	$768,854	$2,904,285
Shareholders Equity	$6,010,344	9,418,705

Corporate Information

We were incorporated in 1999 in Utah. Our principal office is located at 1270 South 1380 West, Orem, Utah 84058. Our telephone number at this location is (801) 226-4100. We also maintain a regional office in San Jose, California and Bozemen, Montana.

Risk Factors

An investment in our common stock involves a high degree of risk, and should not be made by anyone who cannot afford to lose their entire investment. You should consider carefully the risks set forth in this section, together with the other information contained in this prospectus, before making a decision to invest in our common stock. Our business, operating results and financial condition could be seriously harmed and you could lose your entire investment if any of the following risks were to occur.

<u>We are currently losing money and even with recent capital infusions, we will need to reduce our losses if we are to survive</u>.

For the nine months ended September 30, 2007, we had a net loss of $2,517,537 on revenues of $5,939,251. We cannot continue to cover the current losses and are striving to reduce the losses. We are hopeful that with the completion of the acquisitions started in 2006 and the addition of the new products to our portfolio, we will see revenues increasing and be able to cover our expenses. Several of the companies we acquired have products in the early phase of commercialization so we do not have a track record on which to base an estimate on future sales. Accordingly, we are analyzing our expenses and seeing were we can make adjustments to reduce our overall cost. If we are not successful in increasing revenues and/or reducing cost, there will be a substantial question as to our long term viability.

<u>Our business consist of multiple companies that were brought together over the last year and the integration of the diverse product line and work force may be difficult and in the end may be unsuccessful</u>.

Our business model for the last year and a half was focused on the acquisition of several companies that we believed had niche products with competitive advantages over existing products on the marketplace. Most of the companies we acquired had products in the very early stage of commercialization. As a result of our acquisitions which were only completed during the first quarter of 2007, our management is stretched and integrating the different companies has been time consuming. We are looking to hire additional personnel, but have not had the resources to make this commitment until recently. Our future success with these diverse companies is still unknown and an investor in Reflect Scientific will not have a track record to analyze in making a decision on if we are a good investment and if we will be successful integrating these acquisitions.

<u>Our lack of capital limits our ability to compete in the market place, which can adversely affect our market share, revenue and gross margins.</u>

Many of our competitors are substantially larger and better financed then we are. Although we recently completed a round of financing, we continue to lose money. Accordingly, we are limited in our ability to provide the marketing and research and development dollars that many of our competitors are able to invest. We are hopeful with the completion of our last acquisition, some administrative expenses will be reduced particularly associated with legal, accounting and consulting cost; however, even with reductions in these categories we must start making money to be able to invest the dollars needed to stay competitive in the marketplace. If revenues do not improve, we may have to seek additional financing and there can be no assurance additional capital will be available.

Several of our key products are in the early phase of commercialization so their long-term acceptance by the marketplace is unknown, and if they are not accepted, our ability to continue will be questionable.

Several of our products, including our freezers and detectors, have only recently been introduced on a commercial basis to the marketplace. Although we are hopeful on the products long-term acceptance, at this time, there is no assurance that they will be accepted by the marketplace or that there will not be another product which supersedes them before they can obtain a foothold. Much of our future success is dependent on these freezers and detectors and if they are not successful, our long term profitability will be very questionable. Investors in Reflect Scientific will not have the advantage of being able to look to a mature product or long-term revenue streams when making an investment decision.

Our inability to adequately retain or protect our employees, customer relationships and proprietary technology could harm our ability to compete.

Our future success and ability to compete depends in part upon our employees and their customer relationships, as well as our proprietary technology and patents, which we attempt to protect with combination of patent, trademark and trade secret claims as well as with our confidentiality procedures and employee contract provisions. These legal protections afford only limited protection and are time consuming and expensive to maintain. Further, despite our efforts, we may not prevent third parties from soliciting our employees or customers or infringing upon or misappropriating our intellectual property. Our employees, customer relationships and intellectual property may not provide us with a competitive advantage adequate to prevent the competitors from entering the markets for our products and services. Additionally, our competitors, which are larger and better financed, could independently develop non-infringing technologies that are competitive with, and equivalent or superior to our technology.

The departure of certain key personnel could affect the financial condition of Reflect Scientific due to the loss of their expertise and customer relationships.

Certain key employees, primarily Kim Boyce and Tom Tait, are very closely involved in our business and have day-to-day relationships with critical customers. One of the key aspects in the purchase of our initial technology was the ability to obtain the employees responsible for developing our technology. The loss of these employees would severely hinder our ability to develop new products and improve on existing products and technology. Competition for highly skilled business, product development, technical and other personnel is intense, and we may not be successful in recruiting new personnel or in retaining our existing personnel. With the size and funding advantages enjoyed by our competitors, it may be difficult to keep key employees, particularly those in the scientific fields. A failure on our part to retain the services of these key personnel could have a material adverse effect on our operating results and financial conditions. We do not maintain key man life insurance on any of our employees. Although we do maintain employment contracts with key employees, these contracts may not be sufficient to keep the employees from leaving.

We face numerous competitors and as a result, we may not get the business we seek.

We have many competitors with comparable technology and capabilities that compete for the same group of customers. Our competitors are competent and experienced and are continuously working to take projects away from us. Many of our competitors have greater financial, technical, marketing and other resources than we do. Our ability to compete effectively may be adversely affected by the ability of these competitors to devote greater resources to the sale and marketing of their products and services.

<u>We are a small company that relies on a few significant employees to ensure that our business operates efficiently. If we were to lose one of these employees it would effect our business operations and we would experience difficulty in replacing one of these employees.</u>

Other larger companies have greater capital resources and therefore greater recruitment capability than Reflect Scientific. This may limit our ability to hire new talent and retain current employees. We have a very small staff of executives and significant employees. We rely on our executive officers, senior management and significant employees to ensure our business operates efficiently. The loss of such an employee could harm our business. We believe that our success in this business depends on our ability to continue to attract and retain highly skilled and knowledgeable staff.

<u>Trading in our common stock is limited.</u>

Our common stock is quoted on the OTC Bulletin Board. The OTC Bulletin Board is a significantly more limited market than the New York Stock Exchange or NASDAQ system. The quotation of our shares on the OTC Bulletin Board may result in a less liquid market available for existing and potential stockholders to trade shares of its common stock could depress the trading price of its common stock and could have a long-term adverse impact on our ability to raise capital in the future.

<u>Our issuances of shares in connection with exercises of the Series A and B Warrants and conversions of the Debentures likely will result in overall dilution to market value and relative voting power of previously issued common stock, which could result in substantial dilution to the value of shares held by shareholders prior to sales under this prospectus</u>.

The issuance of common stock in connection with exercises of the Series A and B Warrants and conversions of the Debentures by the Selling Shareholders may result in substantial dilution to the equity interests of holders of our common stock other than the Selling Shareholders. Specifically, the issuance of a significant amount of additional common stock will result in a decrease of the relative voting control of our common stock issued and outstanding prior to the issuance of common stock in connection with exercises of the Series A and B Warrants and conversions of the Debentures. Furthermore, public resales of our common stock by the Selling Shareholders following the issuance of common stock in connection with exercises of the Series A and B Warrants and conversions of the Debentures likely will depress the prevailing market price of our common stock. Even prior to the time of actual exercises, conversions, and public resales, the market overhang resulting from the mere existence of our obligation to honor such conversions or exercises could depress the market price of our common stock, which could make it more difficult for existing investors to sell their shares of our common stock, and could reduce the amount they would receive on such sales.

<u>There is an increased potential for short sales of our common stock due to the sales of shares issued to the Selling Shareholders in connection with the Series A and B Warrants and the Debentures, which could materially effect the market price of our stock.</u>

Downward pressure on the market price of our common stock that likely will result from sales of our common stock by the Selling Shareholders issued in connection with exercises of the Series A and B Warrants and conversions of the Debentures could encourage short sales of common stock by the Selling Shareholders or others. A short sale is defined as the sale of stock by an investor that the investor does not own. Typically, investors who sell short believe that the price of the stock will fall, and anticipate selling at a price higher than the price at which they will buy the stock. Significant amounts of such short selling could place further downward pressure on the market price of our common stock, which could make it more difficult for existing shareholders to sell their shares.

The restrictions on the number of shares issued upon exercise of the Series A and B Warrants and on conversion of the Debentures may have little if any effect on the adverse impact of our issuance of shares in connection with exercise of the Series A and B Warrants and conversion of the Debentures, and as such, the Selling Shareholders may sell a large number of shares, resulting in substantial dilution to the value of shares held by our existing shareholders.

The Selling Shareholders are prohibited, except in certain circumstances, from exercising the Series A and B Warrants and converting amounts of the Debentures to the extent that the issuance of shares would cause any Selling Shareholder to beneficially own more than 4.99% of our then outstanding common stock. These restrictions, however, do not prevent any Selling Shareholder from selling shares of common stock received in connection with an exercise or conversion, and then receiving additional shares of common stock in connection with a subsequent exercise or conversion. In this way, a Selling Shareholder could sell more than 4.99% of the outstanding common stock in a relatively short time frame while never holding more than 4.99% at one time. As a result, existing shareholders and new investors could experience substantial dilution in the value of their shares of our common stock.

The trading market for our common stock is limited, and investors who purchase shares from the Selling Shareholders may have difficulty selling their shares.

The public trading market for our common stock is limited. As of the date of this registration statement, our common stock was listed on the OTC Bulletin Board. Nevertheless, an established public trading market for our common stock may never develop or, if developed, it may not be able to be sustained. The OTCBB is an unorganized, inter-dealer, over-the-counter market that provides significantly less liquidity than other markets. Purchasers of our common stock therefore may have difficulty selling their shares should they desire to do so.

It may be more difficult for us to raise funds in subsequent stock offerings as a result of the sales of our common stock by the Selling Shareholders in connection with the Series A and B Warrants, the Debentures.

As noted above, sales by the Selling Shareholders likely will result in substantial dilution to the holdings and interest of current and new shareholders. Additionally, as noted above, the volume of shares sold by the Selling Shareholders could depress the market price of our stock. These factors could make it more difficult for us to raise additional capital through subsequent offerings of our common stock, which could have a material adverse effect on our operations.

We may face penalties if the registration process is delayed.

As a portion of our obligations under the sale of the Debentures and Warrants, we are required to file for registration for the underlying shares and to have the registration deemed effective by the SEC within certain time frames. There is no assurance that we will meet those deadlines, despite all our efforts. In the event of delay, we will incur financial penalties in accordance with the transactional documents. The use of resources to cover these obligation will take them from other plans and needs within Reflect Scientific.

We are considered a penny-stock, which may limit the market for our common equity securities.

Our common stock is quoted on the OTCBB and currently trades below $5.00 per share. For much of our history our shares have been treated as "penny stock" within the definition of that term contained in Rules 15g-1 through 15g-9 promulgated under the Securities Exchange Act of 1934, as amended. These rules impose sales practices and disclosure requirements on certain broker-dealers who engage in certain transactions involving penny stocks. These additional sales practices and disclosure requirements could impede the sale of our securities, including securities purchased herein, in the secondary market. In general, penny stocks are low priced securities that do not have a very high trading volume. Consequently, the price of the stock is volatile and you may not be able to buy or sell the stock when you want. Accordingly, the liquidity for our securities may be adversely affected, with related adverse effects on the price of our securities.

Under the penny stock regulations, a broker-dealer selling penny stocks to anyone other than an established customer or accredited investor" (generally, an individual with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser s written consent to the transaction prior to the sale, unless the broker-dealer is otherwise exempt. In addition, unless the broker-dealer or the transaction is otherwise exempt, the penny stock regulations require the broker-dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commission relating to the penny stock. A broker-dealer is also required to disclose commissions payable to the broker-dealer and the Registered Representative and current quotations for the securities. A broker-dealer is additionally required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks.

The market for our common stock is limited and there are no assurances an active market for our common stock will ever develop. Accordingly, purchasers of our common stock cannot be assured any liquidity in their investment.

<u>You will not receive dividend payments.</u>

We have not paid and do not plan to pay dividends in the foreseeable future even if our operations are profitable. Additionally, under the terms of the Debentures, we are not permitted to pay a dividend while they are outstanding. Earnings, if any, will be used to expand our operations, hire additional staff, pay operating expenses and salaries, rather than to make distributions to shareholders. Future value of an investment will be tied to an increase in Reflect Scientific s enterprise value and/or market price of our common stock, if trading on an exchange or market.

<u>We may issue more stock without shareholder input or consent which could dilute the book value of your investment.</u>

The board of directors has authority, without action by or vote of the shareholders, to issue all or part of the authorized but unissued shares. In addition, the board of directors has authority, without action by or vote of the shareholders, to fix and determine the rights, preferences, and privileges of the preferred stock, which may be given voting rights superior to that of the common stock in this offering. Any issuance of additional shares of common stock or preferred stock will dilute the ownership percentage of shareholders and may further dilute the book value of Reflect Scientific s shares. It is likely we will seek additional capital in the future to fund operations. Any future capital will most likely reduce investors in this offerings percentage of ownership.

<u>Current management owns most of the shares and will control Reflect Scientific.</u>

Current shareholders and managers own 18,329,250 shares of common stock or 53.88% of the issued and outstanding shares. As a result, management will most likely be in a position to elect the Board of Directors, to dissolve, merge or sell our assets, and to direct our business affairs without shareholder input or consent. Until all of the Debentures are converted and Warrants exercised, current management will continue to be able to be in control on any matters submitted to a shareholder vote.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements under "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this prospectus constitute forward-looking statements. These statements involve risks known to us, significant uncertainties, and other factors which may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by those forward-looking statements.

You can identify forward-looking statements by the use of the words "may," "will," "should," "could," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "potential," "proposed," or "continue" or the negative of those terms. These statements are only predictions. In evaluating these statements, you should specifically consider various factors, including the risks outlined above. These factors may cause our actual results to differ materially from any forward-looking statement.

Although we believe that the exceptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

Use of Proceeds

We will not receive any proceeds upon the resale of shares by the selling security holders. Any proceeds that we receive will be from the selling security holders upon the exercise of the outstanding warrants. We will use these proceeds for general working capital. The actual allocation of proceeds realized from the exercise of these securities will depend upon the amount and timing of such exercises, our operating revenues and cash position at such time and our working capital requirements. There can be no assurances that any of the outstanding warrants will be exercised or that any of the debentures will be converted.

Determination of Offering Price

Our common stock will be offered by the selling security holder in amounts, at prices, and on terms to be determined in light of market conditions at the time of sale. The shares may be resold directly by the selling stockholders in the open market at prevailing prices or through negotiations between selling shareholder and prospective buyer or through agents, underwriters, or dealers. We will not control or determine the price at which the shares are sold.

Selling Security Holder

On June 29, 2007, Reflect Scientific and the selling security holders executed a securities purchase agreement which involved the sale of 12% Senior Convertible Debentures (the Debentures) and 3,846,154 warrants (Warrants) consisting of 1,923,077, both of which underlie an aggregate 8,500,000 shares of our common stock. The closing for this transaction occurred on June 29, 2007.

This prospectus, and the registration statement of which it is a part, cover the resales of the shares to be issued to the Selling Shareholders, in connection with shares of common stock issued on conversion of Debentures and payment of interest with shares of our common stock. Although we believe we will have the ability to repay the Debenture over the terms of the Debenture, if the price for our common stock is above the conversion price, and there is sufficient liquidity in our stock for the Selling Shareholder to sell shares received on conversion of the Debenture, it is likely the Selling Shareholders would elect to convert the Debenture into shares of common stock rather than having us pay the Debenture off.

The following table provides information about the actual and potential ownership of shares of our common stock by the Selling Shareholders in connection with the conversion of the Debentures and exercise of the Series A and B Warrants, and the number of our shares registered for sale in this prospectus. We are contractually obligated to register for resale amounts equal to 100% of the shares issued upon conversion of the Debentures and exercise of the shares issuable upon exercise of the Series A and B Warrants. This prospectus and the registration statement of which it is a part covers the resale of up to 4,653,846 shares of our common stock issued or issuable to the Selling

Shareholders in connection with conversions of the Debentures and payment of interest thereon. We will file a separate registration statement in the future to cover the Series A and B Warrants once such registration statement is warranted by the pending exercise of the Warrants.

Under the terms and conditions of the Debentures and the Series A and B Warrants, each Selling Shareholders is prohibited from converting the Debentures or exercising the Series A and B Warrants that would cause such Selling Shareholder to beneficially own more than 4.99% of the then-outstanding shares of our common stock following such issuance. This restriction does not prevent any Selling Shareholder from receiving and selling shares and thereafter receiving additional shares. In this way, a Selling Shareholder could sell more than 4.99% of our outstanding common stock in a relatively short time frame while never beneficially owning more than 4.99% of the outstanding Reflect Scientific common stock at any one time. For purposes of calculating the number of shares of common stock issuable to the Selling Shareholders assuming a conversion of the Debenture and the payment of the interest thereon in shares of our common stock and the exercise of the full amount of the Series A and B Warrants, as set forth below, the effect of such 4.99% limitation has been disregarded. The number of shares issuable to a Selling Shareholder as described in the table below therefore may exceed the actual number of shares such Selling

Shareholder may be entitled to beneficially own under the terms and conditions of the Debenture and Series A and B Warrants. The following information is not determinative of any Selling Shareholder s beneficial ownership of our common stock pursuant to Rule 13d-3 or any other provision under the Securities Exchange Act of 1934, as amended. The selling security holders are:

Shareholders	Number of Shares Beneficially Owned	Percentage of Outstanding Shares (1)	Number of Shares Being Registered	Registered Shares as a Percentage of Outstanding Shares
Dynamic Decisions Growth Premium(2) 25 Cabot Square London, E14, 4QA	930,769	2.7%	930,769	2.7%
Chestnut Ridge Partners, LP(3) 50 Tice Blvd Woodcliffe Lake, NJ 07677	850,000	2.4%	465,384	1.37%
Enable Growth Partners, LP(4) One Ferry Building, Suite 255 San Francisco, CA 94111	4,760,000	12%	2,606,155	7.66%
Enable Opportunity Partners, LP(5) One Ferry Building, Suite 255 San Francisco, CA 94111	892,500	2.6%	488,654	1.4%
Pierce Diversified Strategy Master Fund, LLC ENA(6) One Ferry Building, Suite 255 San Francisco, CA 94111	297,500	0.87%	162,884	0.48%
Total	7,730,769	22.7%	4,653,846	12.68%
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(1) As noted above, the Selling Shareholders are prohibited by the terms of the Debentures and Series A and B Warrants from converting amounts of the Series A Notes or exercising the Series A Warrants that would cause it to beneficially own more than 4.99% of the then outstanding shares of our common stock. The percentages set forth are not determinative of any Selling Shareholder s beneficial ownership of our common stock pursuant to Rule 13d-3 or any other provision under the Securities Exchange Act of 1934, as amended. Inasmuch as the total allowable amount of stock at the 4.99% level is based on the then outstanding share count, these numbers are computed as the minimum amount that would be available to be converted in the event that the only additional issued (then outstanding) shares were the shares issued to the individual Selling Shareholder. The number of shares actually issuable will be subject to the then number of Selling Shareholders that convert the Debentures and exercise the Warrants. All percentages assume 34,019,483 issued and outstanding shares of common stock at December 13, 2007.

Percentages assume the conversion only of the individual shareholders ownership position to the issued and outstanding amount.

(2) Dynamic Decision Growth Premium investment making authority and dispositive power over the shares is vested in Alberto Micalizzi, the chairman of the fund.

(3) Chestnut Ridge Partners, LP investment making authority and dispositive power over the shares is vested in Kenneth Pasternak, managing member of the general partner of the fund.

(4) Enable Growth Partners, LP investment making authority and dispositive power over the shares is vested in Mitch Levine, managing partner of the fund.

(5) Enable Opportunity Partners, LP investment making authority and dispositive power over the shares is vested in Mitch Levine, managing partner of the fund.

(6) Pierce Diversified Strategy Master Fund, LLC ENA investment making authority and dispositive power over the shares is in Mitch Levine, managing partner of the fund.

All selling shareholders purchased in a private placement of completed in June 2007. The private placement consisted of Debentures along with series A and series B common stock purchase warrants (Series A Warrants and Series B Warrants. Set forth below is the amounts purchased along with the warrant allocation to each selling shareholder:

Shareholders	Debentures Purchased	Series A Warrants	Series B Warrants	Interest Shares
Dynamic Decisions Growth Premium	$500,000	-	-	161,538
Chestnut Ridge Partners, LP	$250,000	192,308	192,308	80,769
Enable Growth Partners, LP	$1,400,000	1,076,923	1,076,923	452,308
Enable Opportunity Partners, LP	$262,500	201,923	201,923	84,808
Pierce Diversified Strategy Master Fund, LLC ENA	$87,500	67,308	67,308	28,269
Total	$2,500,000	1,538,462	1,538,462	807,692

Interest shares has been calculated based on a two years of interest payments which may be paid in shares of common stock. For purposes of calculating the interest to be paid in shares of common stock we have assumed the conversion price of the Debentures of $0.65 will be the dollar amount assigned to each share of common stock issued on the payment of interest. The first quarter s interest payments were prepaid in cash and have been deducted from the interest calculations. Interest is calculated based on 12% per year. We have assumed for all calculations that the entire amount of the Debentures remains outstanding for the balance of its term which would be June 29, 2009. Accordingly, if the entire debenture remains outstanding, interest payments of $300,000 would be due each year or $75,000 per quarter. Presently, the first quarter payment, which was due on October 1, 2007, has been paid in cash leaving $225,000 in payments for the first year and a total of $525,000 in payments until maturity of the Debentures. We have assumed an interest payments with shares of our common stock would be made at the current conversion price of $0.65 per resulting in a total possible shares of 807,692. This assumes we pay all interest payments with shares of our common stock.

The selling security holders have never in the past nor currently held a position or office with Reflect Scientific. The selling security holder have not had any material relationship with Reflect Scientific during the last three (3) years.

Information on Selling Shareholders   Investment

Based on the price of our common stock on the date of the sale of the Debentures, the shares to be registered for the Selling Shareholders would have had a market value of:

	Number of Shares	Market price Per Share on June 29, 2007	Total Dollar of Shares on June 29, 2007 (Assuming Market Price)
Shares Registered for Conversion of Note	3,846,154	$1.70	$6,538,462
Shares Registered for Payment of Interest on Notes	807,692	$1.70	$1,373,076
Total Shares	4,653,846	$1.70	$7,911,538

Based on the purchase of the Debentures and the cost associated with such sale, we received net proceeds on the Debenture sale of:

	Payments Made or to Be Made	Proceeds to Company
Gross Proceeds		$2,500,000
Placement Agent Fees	$250,000	
Prepaid Interest for first quarter(1)	75,000	
Interest for Balance of First Year	225,000	
Professional Fees (Attorney)	27,787	
Total Fees First Year	$577,787	577,787
Net Proceeds to Company After One Year		$1,922,213
Interest for Second Year	$300,000	$300,000
Net Proceeds to company After Two Years		$1,622,213

(1) At closing we pre-paid the first quarter of interest with such payments placed into an escrow account. We may make future interest payments with shares of our common stock depending on our stock price and availability of capital.

If our stock price remains at current levels, we estimate the Selling Shareholders would receive proceeds from the conversion of the Debentures and interest of:

	Principal and Interest Amount	Conversion Price Per share(1)	Number of Shares upon Conversion	Market Price Per share on June 29, 2007	Market Value of Shares on June 29, 2007	Total Possible Discount to Market
Shares Issuable for Conversion of Notes	$2,500,000	$0.65	3,846,154	$1.70	$6,538,462	$4,038,462
Shares Issuable for Payment of Interest on Notes	$525,000	$0.65	807,692	$1.70	$1,373,076	$848,076
Total Shares			4,653,846	$1.70	$7,911,538	$4,886,538

(1) We have assumed a conversion price of $0.65 as set forth in the Debentures. The conversion price would be reduced if we sold equity securities at less than $0.65 per share. At this time we would not expect to sell shares at below this price. The interest conversion is based on the $0.65 or, if lower 85% of our average trading price. At this time, our stock is above these conversion amounts and we have assumed a $0.65 price on interest payments.

In addition to the shares being registered for the Selling Shareholders herein, the Selling Shareholders hold Series A and B Warrants. The following chart shows the Selling Shareholders warrant position based on the exercise price of the Warrants and the market price of our common stock on the date of the placement of the Warrants on June 29, 2007:

	Total Number of Shares on Full Exercise	Market Price Per share on June 29, 2007	Exercise Price of Warrants	Profit Per Share	Total Combined Market Price	Total Combined Exercise Price	Total Possible Discount to Market
Shares Issuable on Exercise of Series A Warrants	1,923,077	$1.70	$0.80	$0.90	$3,269,230.90	$1,538,461.60	$1,730,769
Shares Issuable on Exercise of Series B Warrants	1,923,077	$1.70	$1.00	$0.70	$3,269,240.90	$1,923,077.00	$1,346,153.90
Total Shares	3,846,154						$3,076,923.20

Based on the price of our common stock on June 29, 2007, and the net proceeds received by Reflect Scientific, we estimate Selling Shareholders received:

Gross Proceeds		$ 2,500,000
Fees and Cost of Placement:		
Placement Agent Fees	$ 250,000	

Professional Fees (attorney)	27,787		
Prepaid Interest (October 2007 Quarter)	75,000		
Interest for Balance of Term of Debenture	525,000		
Total Out of Pocket Cost of Placement		$ 877,787	
Discount to Market on Shares Receivable on Note Conversion		$ 4,886,538	
Out of Pocket Cost of Placement including Discount to Market			$ 5,764,325
Cost as a Percentage of Offering			230.57%
Cost as a Percentage of Offering over the term of Debenture			115.29%

Interest accrues and is due and payable quarterly at the rate of 12% per annum. We have paid the October 2007 interest payment of $75,000. The next interest payment is due on January 1, 2008. We may elect to make future interest payments with shares of our common stock.

Plan of Distribution

The selling security holder may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling security holder may use any of the following methods when selling shares:

(1) Ordinary brokerage transaction and transactions in which the broker-dealer solicits purchasers;

(2) Block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

(3) Purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

(4) An exchange distribution in accordance with the rules of the applicable exchange;

(5) Privately negotiated transactions;

(6) Settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;

(7) Broker-dealers may agree with the Selling Shareholders to sell a specified number of such shares at a stipulated price per share;

(8) Through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;

(9) A combination of any such methods of sale; or

(10) Any other method permitted pursuant to applicable law.

The Selling Shareholders may also sell shares under Rule 144 under the Securities Act of 1933, as amended (the Securities Act), if available, rather than under this prospectus.

The selling security holder may also engage in short sales against the box after this registration statement becomes effective, puts and calls and other transactions in our securities or derivatives of our securities and may sell or deliver shares in connection with these trades.

Broker-dealers engaged by the Selling Shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Shareholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with NASDR Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with NASDR IM-2440.

In connection with the sale of the common stock or interests therein, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The Selling Shareholders may also sell shares of the common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The Selling Shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Shareholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be underwriters within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed the Company that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the Common Stock. In no event shall any broker-dealer receive fees, commissions and markups which, in the aggregate, would exceed eight percent (8%).

The Company is required to pay certain fees and expenses incurred by the Company incident to the registration of the shares. The Company has agreed to indemnify the Selling Shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

Because Selling Shareholders may be deemed to be underwriters within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. There is no underwriter or coordinating broker acting in connection with the proposed sale of the resale shares by the Selling Shareholders.

We agreed to keep this prospectus effective until the earlier of (i) the date on which the shares may be resold by the Selling Shareholders without registration and without regard to any volume limitations by reason of Rule 144(k) under the Securities Act or any other rule of similar effect or (ii) all of the shares have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale shares will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale shares may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Shareholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of shares of the common stock by the Selling Shareholders or any other person. We will make copies of this prospectus available to the Selling Shareholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

Legal Proceedings

We are not currently a party to any legal proceedings that we believe will have a material adverse effect on our financial condition or results of operations.

Directors, Executive Officers, Promoters and Control Persons

The following table identifies all directors and executive officers:

Name	Age	Position	Date of Election or Designation
Kim Boyce	52	President and Director	December 2003
Tom Tait	51	Vice President & Director	December 2003
Kevin Cooksy	45	Secretary/Treasurer	January 2005
Craig D. Morrison	63	Director	January 2005
David Strate	44	CFO	October 2007

The term of office of each director is one year and until his or her successor is elected at the annual shareholders meeting and is qualified, subject to removal by the shareholders. The term of office for each officer is for one year and until a successor is elected at the annual meeting of the board of directors and is qualified, subject to removal by the board of directors.

We do not have a standing audit, nominating or compensation committee. The size our board has not permitted the board of directors to divide up some of the corporate governance provisions. It is anticipated as our business expands, that board of director committees will be formed. At this time, however, the exact timing and the nature of such committees is unknown. As we expand our board and are able to attract independent directors we will form an audit and compensation committee. We currently have only one independent director, Craig D. Morrison, and will seek additional directors with financial and accounting knowledge to serve on these committees. At this time we do not know of any persons who will be nominated.

Biographical information

Set forth below is certain biographical information with respect to our existing officer and director.

Kim Boyce - CEO, Director

Mr. Boyce, 52, is the founder of Reflect Scientific and serves as President, Chief Executive Officer and Chairman of our Board of Directors. Mr. Boyce founded Reflect Scientific in 1993. Mr. Boyce has over thirty years of experience in manufacturing, sales, distribution and management of scientific products related to companies in the chemical analysis, semiconductor fabrication and optics industries. His responsibilities have included serving as a Western

Regional Sales Manager, OEM Special Accounts Manager, Plant Operations Manager and various other senior management positions within these industries.

Thomas Tait - Vice President, Director

Mr. Tait, 51, serves as Vice President. Mr. Tait brings experience with accelerated product development, lean process management tools, strategic market analysis and acquisition integration. Mr. Tait joined us from Danaher Company where he was a Business Manager over a $120 million in sales product line. Mr. Tait was with Danaher from 2002 to 2004, prior to joining Reflect Scientific in 2005. From 1998 to 2002, Mr. Tait was the General Manager HyperQuan, Inc., in Colorado Springs, Colorado. HyperQuan is a technology startup focused on analytical instrumentation. Prior assignments have included Product Manager J&W Scientific and Project Manager Varian Inc. He also co-founded ChiraTech Inc, a high technology Company that was sold to Thermo Electron Corporation. Mr. Tait holds an MBA in Technology Management from the University of Phoenix and a BS in Chemistry from Clarkson University. He also holds patents in Optics and MEMS technologies.

Kevin Cooksy - Secretary / Treasurer

Mr. Cooksy, 45, serves as the company s secretary and treasurer with general responsibility for financial, legal and administrative matters. Over the last twenty years, Mr. Cooksy has served in corporate legal, corporate development and finance capacities with public and private emerging technology organizations in the commercial, academic and government sectors. Mr. Cooksy has been with Agilent Technologies since 2005 in their Corporate Development group. Previously, Mr. Cooksy was a principal at Gerent LLC, a private consulting firm since 2001. He is an Honors Research Program graduate in Analytical Chemistry from Northern Illinois University and received his MBA (Finance) from The Lake Forest College Graduate School of Management (magna cum laude) and a Juris Doctor degree from the McGeorge School of Law, University of the Pacific.

Craig Morrison, MD- Board Member

Dr. Morrison, 63, serves on the Board of Directors. Dr. Morrison is a surgeon practicing in the State of Utah at the Brigham Young Student Health Center. Dr. Morrison has been a practicing surgeon since 1978 at the following hospitals: Utah Valley Regional Medical Center, Orem Community Hospital, Colombia Mountain View Hospital and Central Valley Hospital. He has been an attending and consulting staff general surgeon since 1978. Dr. Morrison received his Doctor of Medicine Degree from the University of Oregon Medical School in 1970, followed by a pediatric internship and surgical residency at the University of Southern California-Los Angeles County Hospital and the Huntington Memorial Hospital in 1975. He has provided his medical expertise and is one of the pioneering shareholders in the finance and development of Sanguine Corporation traded on the OCBB. Sanguine Corporation is a company focused on developing synthetic alternatives to blood. Dr. Morrison will support the activities of the Board lending his knowledge of startup operations gained through his long experience and development of Sanguine. Dr. Morrison is still a director at Sanguine Corporation.

David Strate

Chief Financial Officer

Mr. Strate, age 44, has been working as a CPA in public practice for over 14 years with an emphasis on public company auditing and review. Mr. Strate was previously employed by HJ & Associates, LLC in Salt Lake City, Utah. HJ & Associates, LLC is a certified public accounting firm. Mr. Strate was employed by HJ & Associates, LLC from August 2000 to September 2007. Prior to joining HJ & Associates, LLC, Mr. Strate was employed by Radiators, Inc., a regional wholesaler, as its corporate controller. Mr. Strate received his BA degree in accounting from the University of Utah. Mr. Strate does not have an employment contract.

Significant Employees

John Hammerman

Business Development & Marketing

Mr. Hammerman, 59, serves as Business Development & Marketing Director. Prior to joining us, Mr. Hammerman was employed for twenty-seven years by UOP. Mr. Hammerman s most recent position was as General Manager, UOP Specialty Products that included responsibility for the Mat/Sen Analytical and Semiconductor Division. During his tenure, he also held the positions of Director Chemical Products, where he managed a $150 Million per year business unit; Manager International Sales and Market Development and Manager Commercial Development Group. Recent accomplishments include the formation and start up of a new joint venture company that provides custom separations and catalysis services to the Pharma/Biotech Industry. Mr. Hammerman received his BSc degree in Chemical Engineering from the University of Wales, United Kingdom. He is the holder of five U.S. patents.

Brian Smithgall

General Manager Image Labs

Mr. Smithgall, age 50, has been involved in the machine vision industry for 25 years. He started Image Labs International (previously known as Vision 1) in 1993 to provide the custom machine vision and imaging solutions. Mr. Smithgall holds an MS in Electrical Engineering from the University of Southern California, and led two successful startups before Image Labs. He is a long time member of SPIE, SME and IEEE, and is recognized as a Certified Manufacturing Engineer with the SME Machine Vision Association, a Senior Member of the IEEE, and on the Editorial Advisory Board of Advanced Imaging Magazine. Mr. Smithgall holds patents in image processing systems and has given numerous professional papers. He led Image Labs to its selection as an IC-500 company in 2000 and 2001.

Eric Pierson

General Manager Miralogix

Mr. Pierson, age 45, has been involved in all aspects of the development of the CatPro product line used for inspection of catalytic converter monoliths including product design, market development, customer and vendor relations and web site development. Prior to this Mr. Pierson was cofounder of Pathway Systems which designed and manufactured critical components and sub-systems used by leading semiconductor and rigid memory disk equipment manufacturers. He brings strong product development skills and valuable insight to the capital equipment manufacturing arena.

John Dain

General Manager All Temp Engineering

Mr. Dain, age 48, has been involved in the field of controlled environments for 30 years. Co-founding All Temp Engineering in 1985, Mr. Dain was instrumental in growing the company and leading its development as an environmental service design company in the State of California through his expertise in engineering, attention to customer support and knowledge of cryogenic systems. Through his work with customers a new product direction was recognized and implemented via the founding of Cryomastor a company that specializes in state of the art ultra-low temperature freezers. In addition to patents, Mr. Dain has memberships in several key engineering organizations.

Nicholas Henneman

Director of Manufacturing Cryometrix

Mr. Henneman, age 50, has been involved in environmental systems for 25 years. His experience spans control logic, human interface systems, cryogenic systems and management. As President and Director of Operations for All Temp Engineering, Mr. Henneman s contribution to the growth of All Temp Engineering has been significant. His prior experience includes Section Head and Lab supervisor at Phillips Semiconductors. He was also instrumental in applying his skills in developing the Cryomastor product.

Family Relationships

There are no family relationships between our officers and directors.

None of the aforementioned directors or executive officers have, during the last five (5) years, filed for bankruptcy, was convicted in a criminal proceeding or was the subject of any order, judgment, or decree permanently, temporarily, or otherwise limiting activities (1) in connection with the sale or purchase of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws, (2) engaging in any type of business practice, or (3) acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of an investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity.

Code of Ethics

We have adopted a Code of Ethics that applies to all of our directors and executive officers serving in any capacity for our Company, including our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth, as of December 13, 2007, the names, addresses and number of shares of common stock beneficially owned by all persons known to the management of Reflect Scientific to be beneficial owners of more than 5% of the outstanding shares of common stock, and the names and number of shares beneficially owned by all directors of Reflect Scientific and all executive officers and directors of Reflect Scientific as a group (except as indicated, each beneficial owner listed exercises sole voting power and sole dispositive power over the shares beneficially owned).

For purposes of this table, information as to the beneficial ownership of shares of common stock is determined in accordance with the rules of the Securities and Exchange Commission and includes general voting power and/or investment power with respect to securities. Except as otherwise indicated, all shares of our common stock are beneficially owned, and sole investment and voting power is held, by the person named. For purposes of this table, a

person or group of persons is deemed to have "beneficial ownership" of any shares of common stock, which such person has the right to acquire within 60 days after the date hereof. The inclusion herein of such shares listed beneficially owned does not constitute an admission of beneficial ownership.

All percentages are calculated based upon a total number of 34,019,483 shares of common stock outstanding as of December 13, 2007, plus, in the case of the individual or entity for which the calculation is made, that number of options or warrants owned by such individual or entity that are currently exercisable or exercisable within 60 days.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percentage of Outstanding Common stock
	Principal Shareholders		
Common Stock	Kim Boyce 1270 South 1380 West Orem, Utah 84058	17,918,250	52.67%
Common Stock	Dain Family Revocable Trust 4057 Cienega Road	2,530,000	7.44%

	Hollister, California 95023		
Common Stock	Nicholas J. Henneman	2,470,000	7.26%
	P.O. Box 1175		
	5885 Diablo Hills Road		
	Tres Pinos, California 95075-1175		
	Officers and Directors		
Common Stock	Kim Boyce	17,918,250	52.67%
Common Stock	Tom Tait	161,000	.47%
Common Stock	Kevin Cooksy	40,000	.12%
Common Stock	Craig D. Morrison, M.D.	210,000	.62%
	All directors and executive officers of the Company as a group (Four individuals)	18,329,250 ========	53.88% ======