BRENDAN TECHNOLOGIES INC
Form S-1/A
March 13, 2008

As filed with the Securities and Exchange Commission on March 13, 2008

Registration No. 333-147638

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 3 to
FORM S-1/A
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BRENDAN TECHNOLOGIES, INC.
(Name of small business issuer in its charter)

Nevada	**7372**	**38-3378963**
(State or jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer I.D. Number)

2236 Rutherford Road, Suite 107
Carlsbad, California 92008
(760) 929-7500
(Address and telephone number of principal executive offices)

2236 Rutherford Road, Suite 107
Carlsbad, California 92008
(760) 929-7500
(Address of principal place of business or intended principal place of business)

Lowell W. Giffhorn, Chief Financial Officer
Brendan Technologies, Inc.
2236 Rutherford Road, Suite 107
Carlsbad, California 92008
(760) 929-7500
(Name, address and telephone number of agent for service)

Copies to:
David Ficksman, Esquire
Troy & Gould
1801 Century Park East, Suite 1600
Los Angeles, CA 90067
(310) 789-1290 (Telephone)
(310) 789-1490 (Facsimile)

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ¨

Title of Each Class of Securities to be Registered	**Amount To Be Registered**	**Proposed Maximum Offering Price Per Share**	**Proposed Maximum Aggregate Offering Price (4)**	**Amount of Registration Fee (5)**
Common Stock, $0.004995 par value (1)	4,183,800	$ 0.27	$ 1,129,626	$ 34.68
Common Stock, $0.004995 par value (2)	1,745,000	$ 0.27	$ 471,150	$ 14.46
Common Stock, $0.004995 par value (3)	1,270,000	$ 0.27	$ 342,900	$ 10.53
TOTAL	7,198,800		$ 1,943,676	

1) Shares of the Registrant's common stock, $0.004995 par value per share, are being registered for resale on behalf of certain selling security holders. The common stock being registered is issuable to the selling security holders on their conversion of our 8% Convertible Debentures issued on June 20, 2006 through June 11, 2007 (the “Debentures”). The terms of the Debentures fix the number of common shares that may be issuable upon conversion of the principal portion of the Debentures. The debentureholders have elected to receive interest either quarterly in cash or at the earlier of conversion or maturity in common stock. For those debentureholders electing to receive common stock, the maximum number of common shares so issuable have been included in this registration.

2) Shares of the Registrant's common stock, $0.004995 par value per share, are being registered for resale on behalf of certain selling security holders. The common stock being registered was issued to the selling security holders on their exercise of common stock purchase warrants pursuant to a rights offering.

(3) Shares of the Registrant's common stock, $0.004995 par value per share, are being registered for resale on behalf of certain selling security holders. The common stock being registered is issuable to the selling security holders on their exercise of warrants which were issued either for services or related to short term financings.

(4) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933, as amended (the "Act"), based on the average of the closing bid and asked prices for the Registrant's Common Stock (the "Common Stock") as reported on the OTC Bulletin Board on February 20, 2008.

(5) Of this amount $59.67 was paid with the initial filing of this registration statement on Form SB2, Registration No. 333-147638.

In addition to the number of shares set forth above, the amount registered included any shares of common stock issued as a result of stock splits, stock dividends and similar transactions in accordance with Rule 416.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL IT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MARCH 13, 2008

PROSPECTUS

BRENDAN TECHNOLOGIES, INC.
2236 Rutherford Road, Suite 107
Carlsbad, CA 92008
(760) 929-7500

THE OFFERING

The resale of up to 8,164,800 shares of common stock by the selling shareholders in the over-the-counter market at the prevailing market price or in negotiated transactions as follows:

· up to 4,183,800 shares issuable to certain selling shareholders upon the conversion of our 8% Convertible Debentures which are comprised of 4,055,000 shares issuable for principal and 128,800 shares issuable as interest payments under the Debentures.

· 1,745,000 shares which were issued to certain selling shareholders upon their exercise of common stock warrants under a rights offering.

· up to 2,236,000 shares issuable to certain selling shareholders upon the exercise of warrants comprised of 570,000 warrant shares issued for services, 700,000 warrant shares issued related to short term financings and 966,000 warrant shares issuable as a result of reset provisions.

We will receive no proceeds from the sale of the shares by the selling shareholders. We may receive proceeds of up to $762,000 from the exercise of the warrants.

Our shares of common stock are currently trading on the OTC Bulletin Board under the symbol “BDTE”.

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK.
Please refer to Risk Factors Beginning on Page 3

THE SECURITIES AND EXCHANGE COMMISSION (SEC) AND STATE SECURITIES REGULATORS HAVE NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES, NOR IS THE SOLICITATION OF AN OFFER TO BUY THESE SECURITIES, IN ANY STATE WHERE THE OFFER OR SALE OF THESE SECURITIES IS NOT PERMITTED.

Please read this prospectus carefully. It describes our company, finances and products. Federal and state securities laws require that we include in this prospectus all the material information that you will need to make an investment decision.

We have not authorized anyone to provide you with information that is different from that which is contained in this prospectus.

The following table of contents has been designed to help you find important information contained in this prospectus. We have included subheadings to aid you in searching for particular information you might want to return to. We encourage you to read the entire prospectus.

TABLE OF CONTENTS

PROSPECTUS SUMMARY

About Our Company

We provide software solutions to improve the accuracy, quality control, workflow, and regulatory compliance of immunoassay testing in laboratories in the biopharmaceutical, clinical, research, veterinarian and agricultural industries. Our software platform manages the raw, computed and analytical data in testing laboratories and in manufacturing.

We evolved from the initial work of our founder, John R. Dunn II, Ph.D., now our Chairman, President, Chief Executive Officer and Chief Technical Officer. Our first commercialized product is StatLIA®, software designed specifically for immunoassay testing. Since Dr. Dunn’s early work on StatLIA® over ten years ago, StatLIA® has been developed with software engineers, mathematicians and laboratory professionals who specialize in laboratory testing. Over the years, StatLIA® has been used in laboratories, undergoing numerous revisions and additions to develop the product.

Our auditors have stated in their report on our consolidated financial statements as of and for the year ended June 30, 2007, substantial doubt about our ability to continue operating as a going concern because of recurring net losses and negative cash flows from operations. We had accumulated deficits of $9,765,318 and $8,352,407 as of December 31 and June 30, 2007 and a history of substantial operating losses, net losses and negative cash flow.

Our principal executive offices are located at 2236 Rutherford Road, Suite 107, Carlsbad, California 92008, and our telephone number is (760) 929-7500.

About Our Convertible Debentures

<u>Overview.</u> From June 20, 2006 through June 11, 2007, we sold to and received cash from certain of the selling shareholders an aggregate of $2,027,500 of 8% convertible debentures with two year maturity dates. The aggregate conversion prices of the debentures represented a $329,350 premium to the aggregate market value of $1,698,150 on the dates of the issuances. In addition, the debentureholders received warrants exercisable into up to 8,110,000 shares of our common stock.

<u>Number Of Shares Debentures May Be Converted Into.</u> The principal portion of the debentures can be converted into 4,055,000 shares of our common stock at a fixed conversion rate of $0.50 per share. The debentureholders have elected to receive interest either quarterly in cash or in common stock at the earlier of conversion or maturity of the debenture.

<u>Warrants.</u> Concurrent with the issuance of the convertible debentures, we issued warrants to purchase up to 8,110,000 shares of our common stock to the debentureholders. These warrants are exercisable for from one to five years from the date of issuance at exercise prices ranging from $0.60 to $1.00 per share.

<u>Restrictive Covenants.</u> For a period of 18 months from the date of the debentures, we are prohibited from engaging in certain transactions without obtaining the debentureholders' prior written approval. These types of transactions include the issuance of any debt or equity securities in a private transaction which are convertible or exercisable into shares of common stock at a price based on the trading price of the common stock at any time after the initial issuance of such securities; the issuance of any debt or equity securities with a fixed conversion or exercise price subject to adjustment; and any private equity line type agreements.

Right Of First Refusal. The debentureholders have a right of first refusal to purchase or participate in any securities offered by us in any private transaction which closes on or prior to the date that is two years after the issue date of each debenture.

Registration Rights. We are responsible for registering the resale of the shares of our common stock which will be issued on the conversion of the debentures.

Additional Shares We Are Registering

In October 2007, we extended a rights offering to existing warrant holders whereby they could exercise their warrants at a reduced exercise price of $0.25 per share for a period through November 7, 2007. A group of 18 warrant holders, including two who are affiliates of ours, exercised warrants for 1,745,000 shares of our common stock for aggregate proceeds of $436,250. The aggregate market value of the warrant shares exercised as of November 7, 2007 was $459,050, $0.26 per share, resulting in a discount to the exercising warrant holders of $22,800 or 5.0% of the market value. The shares were issued with restrictive legends and are being registered herewith.

Additional Warrants We Are Registering

We are also registering 1,270,000 shares that are issuable to certain selling security holders on their exercise of warrants issued for either services they provided or related to short term financings.

Key Facts

Shares being offered for resale to the public	8,164,800 (32% of our shares currently outstanding, 82% of our shares currently held by non-affiliates)
Total shares outstanding prior to the offering	25,450,594 as of March 13, 2008
Total shares held by non-affiliates prior to the offering	9,918,016 as of March 13, 2008
Total shares outstanding assuming conversion of the debentures, including shares issuable as interest payments under the debentures, and exercise of the warrants	31,870,391
Total shares that would be outstanding assuming conversion of the debentures, including shares issuable as interest payments under the debentures, and exercise of all outstanding options and warrants	42,362,261
Total proceeds raised by offering	None. However we may receive proceeds of up to $762,000 on the exercise of warrants

Convertible debentures	A form of our convertible debenture was included as Exhibit 4.8 to our Current Report on Form 8K filed as of July 18, 2006
Dividend policy	We have never paid a dividend and do not anticipate paying a dividend in the foreseeable future
Payments to selling shareholders	We have made or anticipate to make payments to the selling shareholders as follows:

Convertible debentures	
Finders fee (1)	$ 120,000
Interest payments (3)	324,400
Short-term financings	
Finders fee (1)	$ 90,000
Placement agent fee (2)	60,000
Interest payments (3)	68,914

Net proceeds raised from financings

Convertible debentures	
Gross proceeds	$ 2,027,500
Less finders fee	120,000
Less interest (two years)	324,400
Net proceeds	$ 1,583,100
Short-term financings (4)	
Gross proceeds	$ 700,000
Less finders fee	30,000
Less placement agent fee	60,000
Less interest (nine months)	68,914
Net proceeds	$ 541,086

(1) Paid to Michael Morrisett

(2) Paid to Midtown Partners LLC

(3) Interest payments are based on 8% interest for the convertible debentures and 12% and 15% for the short-term financings and do not take into consideration an election to receive common stock in lieu of cash for a group of the convertible debenture holders.

(4) Short term financings consist of a one month $100,000 bridge loan in May 2007 and nine month bridge loans aggregating $600,000 in July 2007. The holders of the bridge loans received warrants exercisable into up to one warrant share for each $1 loaned with five year terms and an exercise price of $.60 per share.

SUMMARY FINANCIAL DATA

The following summary financial data should be read in conjunction with "Management's Discussion and Analysis or Plan of Operation" and our audited financial statements and related notes included elsewhere in this prospectus.

Consolidated Statement of Operations Data:

	Six Months Ended December 31, 2007	Six Months Ended December 31, 2006	Year Ended June 30, 2007	Year Ended June 30, 2006
Net sales	$ 366,807	$ 222,648	$ 521,330	$ 681,337
Net (loss)	$ (1,412,910)	$ (964,701)	$ (2,110,698)	$ (845,393)
Net (loss) per basic share	$ (0.06)	$ (0.04)	$ (0.09)	$ (0.06)

Balance Sheet Data:

	December 31, 2007	June 30, 2007
Working capital deficit	$ (3,418,193)	$ (1,679,643)
Total assets	$ 409,605	$ 435,525
Total liabilities	$ 4,116,440	$ 3,311,490
Stockholders' deficit	$ (3,706,835)	$ (2,875,965)

RISK FACTORS

The shares of common stock offered by this prospectus involve a high degree of risk and represent a highly speculative investment. You should not purchase these shares if you cannot afford the loss of your entire investment. In addition to the other information contained in this prospectus, you should carefully consider the following risk factors in evaluating our company, our business prospects and an investment in our shares of common stock.

RELATED TO OUR BUSINESS

We have a limited operating history.

We commenced operations in November, 1997 and have a limited operating history. Our success will be dependent upon our ability to successfully exploit our unique proprietary technology. Our success will depend in large part on our ability to deal with the problems, expenses, and delays frequently associated with developing and marketing our software technology. Losses are likely to continue before our operations will become profitable. There is no assurance that our operations will prove profitable.

We depend on new products and development to generate revenues.

Substantially all of our revenues have been derived, and substantially all of our future revenues are expected to be derived, from the license of the software and sale of our associated services, and the development and sale of future products. Accordingly, broad acceptance of our software products and services by customers is critical to our future success as is our ability to design, develop, test and support new software products and enhancements on a timely basis that meet changing customer needs and respond to technological developments in emerging industry standards. There can be no assurance that we will be successful in developing and marketing new software products and enhancements that meet changing customer needs and respond to such technological changes or evolving industry standards.

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Our success depends upon developing distribution channels.

Our distribution strategy is to develop multiple distribution channels. We have historically sold our products only through direct sales, Internet sales, and original equipment manufacturers (“OEMs”). We expect to increasingly utilize OEMs and independent sales representatives, and to pursue utilizing systems integrators, value added resellers (“VARs”), and software retailers. There can be no assurances that these distribution channels will be effective sales channels.

Our success is dependent on our founders and other key personnel.

Our performance is substantially dependent upon the performance of our executive officers and key employees, particularly that of Dr. John R. Dunn, II. Dr. Dunn was responsible for creation of the software and the scientific principles incorporated therein. As a result, Dr. Dunn is the single most knowledgeable person with regard to the software. It would be difficult for us to find an adequate replacement for Dr. Dunn in the immediate future.

Given our early stage of development, we are further dependent upon our ability to retain and motivate high quality personnel, especially our management and highly skilled development teams. We do not have key person life insurance policies on any of our employees. The loss of the services of any of our executive officers or other key employees could have a materially adverse effect on our business, operating results or financial condition. We intend to purchase key man life insurance when management decides funds are available.

Our future success also depends on our continuing ability to identify, hire, train, and retain other highly qualified technical and managerial personnel. Competition for such personnel is intense and there can be no assurance that we will be able to attract, hire or retain other highly qualified technical and managerial personnel in the future. The inability to attract and retain the necessary technical and managerial personnel could have a materially adverse effect upon our business operating results or financial condition.

Our success will depend, in part, on the continuing and growing interest in quality control and quality assurance regarding reliable laboratory and manufacturing testing results among the markets targeted by our products.

An additional factor which we believe will be critical to the acceptance of our products is a continuing need in our targeted markets for more powerful solutions for instrument connectivity, networking, and data management.

No governmental or regulatory agency must approve the production or sale of any of our products at this time. However, we intend to voluntarily pursue the acknowledgment and approval of certain federal agencies to gain further awareness and acceptance for our new statistical methodologies. There can be no assurance that the interest in quality control and quality assurance will continue among the testing industry, general public or governmental and regulatory agencies.

We have worker’s compensation and general liability insurance but do not have professional liability insurance at this time.

We do intend to purchase such insurance when funds become available if management concludes that the benefit of having such a policy outweighs our cost. Any professional liability claims made prior to acquiring such insurance or for amounts exceeding the coverage after the insurance is purchased, could have an adverse material effect on us. In addition, we will purchase a key man life insurance policy naming Dr. John Dunn II as the insured and we as the beneficiary if management concludes that the benefit of having such a policy outweighs our cost. We further intend to purchase director and officer liability insurance when management decides that funds are available in order to attract additional directors and officers.

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We are subject to the risks and uncertainties inherent in new businesses.

We are subject to the risks and uncertainties inherent in new businesses, including the following:

· We may not be able to raise enough money to develop our services and bring them to market;

· Our projected capital needs may be inaccurate, and we may not have enough money to develop our services and bring them to market;

· We may experience unanticipated development or marketing expenses, which may make it more difficult to develop our services and bring them to market;

· Even if we are able to develop our services and bring them to market, we may not earn enough revenues from the sales of our services to cover the costs of operating our business.

· If we are unsuccessful in our development efforts, we are not likely to ever become profitable.

We have never paid cash dividends on our Common Stock, and do not anticipate that we will pay cash dividends in the foreseeable future.

The payment of dividends by us will depend on our earnings, financial condition and such other factors as our Board of Directors may consider relevant. We currently plan to retain any earnings to provide for our development and growth.

We will need additional financing.

Our ability to continue as a going concern is dependent upon our ability to generate profitable operations in the future and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. The outcome of these matters cannot be predicted with any certainty at this time. Since inception, we have satisfied our capital needs through debt and equity financings. We will need to seek additional financing to meet our liquidity requirements. There is no assurance that financings can be obtained in amounts and at terms acceptable to us. If capital is not available, we may be required to curtail our operations.

RELATED TO OUR INDUSTRY

The market for our products is unproven and acceptance of our products is crucial.

The market for our software and services has only recently begun to develop, is rapidly evolving and could be subject to an increasing number of competitive market entries. While we believe that our software products offer significant advantages for quality assurance, regulatory compliance and reliability in the clinical, pharmaceutical, environmental, and manufacturing industries, there can be no assurance that our products will become widely adopted for use in those industries.

Because a market for our products and services is new and evolving, it is difficult to predict the future growth rate, if any, and size of this market. There can be no assurance that the market for our products and services will develop or that our products and services will be used in the marketplace. If the market fails to develop, develops more slowly than expected, or becomes saturated with competitors, or if our products do not achieve market acceptance, our business, operating results and financial condition will be materially adversely affected.

We compete with companies that have substantially greater resources.

Our management believes that over 90% of our current competitors are instrument manufacturers. These manufacturers primarily develop and market their software programs to be used with only their instruments and not as stand-alone programs (which could be used with competing manufacturers' instruments or even earlier models of their own instruments). The level of interoperability of such software with the instruments sold by their competitors or with laboratory computer systems is minimal or nonexistent. This market is splintered into many fragments and no one or few of these instrument manufacturers hold a commanding percentage of market share. To our knowledge, no commercial product available in the world today offers the quality control and quality assurance capabilities or many of the advanced computational features found in StatLIA®. However, we believe that at some point in the future, many of our competitors will use quality assurance methodologies similar to, or as effective as, those incorporated in StatLIA®. Some of these competitors may be of greater size and have greater financial resources than ours. We believe that most instrument manufacturers currently marketing immunoassay software will remain focused on instrumentation and not develop software as complex as StatLIA® for the limited market share held by any one of these manufacturers. We believe that most of our future competition will be from software companies but we can give no assurances. Because our products are either newly-developed or in the process of being developed, no guarantees can be given as to how commercially viable such new products will be in the marketplace.

We intend to interface StatLIA® with all immunoassay testing instruments which are capable of exporting unprocessed raw data. Although we has been able to receive, decode and process data from all instruments attempted to date, there can be no assurance that we will be able to collect data from all immunoassay instruments manufactured.

Although device manufacturers are currently the largest competitors, we believe that OEM's will soon serve as ideal partners as equipment makers seek to remove themselves from software development and partner with more powerful programs. We will focus on OEM's as a primary sales channel.

We believe that the statistical quality control and quality assurance principles and the connectivity and data management methodologies incorporated in StatLIA® can be applied in new products for other disciplines and technologies. We have outlined other programs in addition to StatLIA® to be developed in the next three years for application in testing laboratories and manufacturing. However, the statistical quality control and quality assurance principles and methodology have been tested only in the immunoassay field for which StatLIA® was designed, and to a lesser extent, in steel tensile testing. There can be no assurances that we will be able to successfully develop and market all of our intended products.

Our success and ability to compete is dependent in part upon our proprietary technology.

While we rely on trademark, trade secret and copyright law to protect our technology, we believe that factors such as the technological and creative skills of our personnel, new product developments, frequent product enhancements, name recognition and reliable product maintenance are more essential to establishing and maintaining a technology leadership position. We do not presently have any patents or patent applications pending. There can be no assurance that others will not develop technologies that are similar or superior to our technology. The source code for our proprietary software is protected both as a trade secret and as a copyrighted work. We generally enter into confidentiality or license agreements with our employees, consultants and vendors, and generally control further access to and distribution of our software, documentation and other proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use our products or technology without authorization, or to develop similar technology independently. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or to obtain and use information that we regard as proprietary. Policing unauthorized use of our products is difficult. There can be no assurance that the steps taken by us will prevent misappropriation of our technology or that such agreements will be enforceable.

Vigorous protection and pursuit of intellectual property rights or positions characterize the fiercely competitive software industry, which has resulted in significant and often protracted and expensive litigation. Therefore, our competitors may assert that our technologies or products infringe on their patents or proprietary rights. Problems with patents or other rights could increase the cost of our products or delay or preclude new product development and commercialization by us. If infringement claims against us are deemed valid, we may not be able to obtain appropriate licenses on acceptable terms or at all. Litigation could be costly and time-consuming but may be necessary to protect our future patent and/or technology license positions or to defend against infringement claims.

We may be effected by changes in Securities Laws and Regulations

We have made, and will need to continue to make, changes in our corporate governance and securities disclosure and compliance practices as a result of the Sarbanes-Oxley Act of 2002. The SEC and the NASD have enacted, and we expect will continue to enact, new rules on a variety of subjects as a result of the Sarbanes-Oxley Act of 2002. While we believe that we can ultimately comply with the new legislated requirements associated with being a public company, compliance with the Sarbanes-Oxley Act of 2002 will increase our costs and may present new challenges and risks. These developments could also possibly make it more difficult and more expensive to obtain director and officer liability insurance. We may be required to accept reduced coverage or incur substantially higher costs to obtain coverage for our officers and directors, which may make it more difficult for us to attract and retain qualified board members or executive officers. We are currently evaluating and monitoring regulatory developments and cannot estimate the timing or magnitude of additional costs that may be incurred as a result of the Sarbanes-Oxley Act of 2002.

We will be required to implement an internal control structure and procedures for financial reporting, including those contemplated by Section 404 of the Sarbanes-Oxley Act, designed to enable management to contest to the effectiveness of our internal controls during the initial year, our year ending June 30, 2008, and our registered public accounting firm to opine to the effectiveness of our internal controls subsequent to the initial year, our year ending June 30, 2009. To comply with these requirements, we expect that we may need to hire additional accounting and finance staff and implement new financial systems and procedures. There can be no assurance that we will be able to implement such controls in a timely fashion and, therefore, we may not be able to contest to or receive an opinion from independent sources that our internal controls are effective.

RELATED TO OUR OFFERING AND SHARE PRICE

Shares of our common stock which are eligible for sale by our stockholders may decrease the price of our common stock.

We have 25,450,594 common shares outstanding of which 1,227,079 are freely tradable and 24,223,515 are saleable under Rule 144. We also may have up to 17,601,667 additional shares which could be outstanding following conversions of debentures, exercise of warrants and exercise of stock options. If our stockholders sell substantial amounts of our common stock, the market price of our common stock could decrease.

There is a limited but potentially volatile trading market in our common stock, which may adversely affect our stock price.

Our common stock trades on the OTC Bulletin Board. The Bulletin Board tends to be highly illiquid, in part because there is no national quotation system by which potential investors can track the market price of shares except through information received or generated by a limited number of broker-dealers that make a market in particular stocks. There is a greater chance of market volatility for securities that trade on the Bulletin Board as opposed to a national exchange or quotation system. This volatility may be caused by a variety of factors, including:

- The lack of readily available price quotations;
- The absence of consistent administrative supervision of “bid” and “ask” quotations;
- Lower trading volume; and
- Market conditions.

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There could be wide fluctuations in the market price of our common stock. These fluctuations may have an extremely negative effect on the market price of our securities.

Because our common stock is classified as “penny stock,” trading in it could be limited, and our stock price could decline.

Our common stock falls under the definition of “penny stock.” “Penny stocks” are equity securities with a market price below $5.00 per share, other than a security that is registered on a national exchange or included for quotation on the NASDAQ system, unless the issuer has net tangible assets of more than $2,000,000 and has been in continuous operation for greater than three years. Issuers who have been in operation for less than three years must have net tangible assets of at least $5,000,000. As a result, trading in our common stock is limited because broker-dealers are required to provide their customers with disclosure documents prior to allowing them to participate in transactions involving our common stock. These disclosure requirements are burdensome to broker-dealers and may discourage them from allowing their customers to participate in transactions involving our common stock.

Rules promulgated by the Securities and Exchange Commission under Section 15(g) of the Exchange Act require broker-dealers engaging in transactions in penny stocks, to first provide to their customers a series of disclosures and documents, including:

· A standardized risk disclosure document identifying the risks inherent in investment in penny stocks;

· All compensation received by the broker-dealer in connection with the transaction;

· Current quotation prices and other relevant market data; and

· Monthly account statements reflecting the fair market value of the securities. In addition, these rules require that a broker-dealer obtain financial and other information from a customer, determine that transactions in penny stocks are suitable for such customer and deliver a written statement to such customer setting forth the basis for this determination.

FORWARD-LOOKING STATEMENTS

This prospectus includes "forward-looking" statements. The forward-looking statements in this prospectus reflect our current views with respect to possible future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties, including specifically the absence of significant revenues and financial resources, a history of losses, no assurance that the development of technology can be completed or that our completion will not be delayed, significant competition, the uncertainty of patent and proprietary rights, uncertainty as to royalty payments and indemnification risks, trading risks of low-priced stocks and those other risks and uncertainties discussed herein that could cause our actual results to differ materially from our historical results or those we anticipate. In this prospectus, the words "anticipates," "believes," "expects," "intends," "future" and similar expressions identify certain forward-looking statements. You are cautioned to consider the specific risk factors described in "Risk Factors" and elsewhere in this prospectus and not to place undue reliance on the forward-looking statements contained in this prospectus, which speak only as of the date of this prospectus. We undertake no obligation to publicly revise these forward-looking statements to reflect the effect of events or circumstances that may arise after the date of this prospectus. All written and oral forward-looking statements made subsequent to the date of this prospectus and attributable to us or persons acting on our behalf are expressly qualified in their entirety by this section.

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PLAN OF DISTRIBUTION

After the effective date of the registration statement of which this prospectus is a part, each selling shareholder will be free to offer and sell his or her common shares at such times, in such manner and at such prices as he or she may determine. The types of transactions in which the common shares are sold may include transactions in the over-the-counter market (including block transactions), negotiated transactions, the settlement of short sales of common shares, or a combination of such methods of sale. The sales will be at market prices prevailing at the time of sale or at negotiated prices. Such transactions may or may not involve brokers or dealers. The selling shareholders have advised us that they have not entered into any agreements, understandings or arrangements with any underwriters or broker-dealers regarding the sale of their securities. The selling shareholders do not have an underwriter or coordinating broker acting in connection with the proposed sale of the common shares.

The selling shareholders may effect such transactions by selling common stock directly to purchasers or to or through broker-dealers, which may act as agents or principals. Such broker-dealers may receive compensation in the form of discounts, concessions, or commissions from the selling shareholders. They may also receive compensation from the purchasers of common shares for whom such broker-dealers may act as agents or to whom they sell as principals, or both (which compensation as to a particular broker-dealer might be in excess of customary commissions).

The selling shareholders and any broker-dealer that acts in connection with the sale of common shares may be "underwriters" within the meaning of Section 2(11) of the Securities Act. Any commissions received by such broker-dealers and any profit on the resale of the common shares sold by them while acting as principals may be deemed to be underwriting discounts or commissions.

Because the selling shareholders may be "underwriters" within the meaning of Section 2(11) of the Securities Act, the selling shareholders will be subject to prospectus delivery requirements.

Selling shareholders also may resell all or a portion of their common shares in open market transactions in reliance upon Rule 144 under the Securities Exchange Act, provided they meet the criteria and conform to the requirements of such Rule.

SELLING SHAREHOLDERS

SELLING SHAREHOLDERS

The following table sets forth certain information with respect to the selling shareholders as of March 13, 2008. As set forth in the footnotes below, Mr. Giffhorn, Dr. Vermaelen, Ms. Griesel, Midtown Partners LLC and Mr. Morrisett are either currently affiliates of ours or have had a material relationship with us during the past three years. None of the selling shareholders are or were affiliated with registered broker-dealers, except for Midtown Partners LLC who is a registered broker-dealer. The shares offered for resale by Midtown Partners LLC were acquired as transaction-based compensation earned for investment banking services.

Name	Beneficial Ownership of Common Stock as of November 27, 2007		Maximum Number of Shares of Common Stock Offered for Sale	Amount and Percentage of Common Stock After the Sale Number	%
Aladray, Adnan	120,000	(1)	120,000	-	*
Aladray, Nazeah	60,000	(1)	60,000	-	*
Belz, Bruce Trustee	100,000	(1)	100,000	-	*
Carter, Shanon	21,600	(2)	21,600	-	*
Chrobak, Jerome	200,000	(1)	200,000	-	*
Ciner, Eugene and Natalie	10,000	(3)	10,000		*
Daniels, Richard	150,000	(1)	150,000	-	*
Duchein, Derek IRA	388,800	(2)	388,800	-	*
Duchein, Julie IRA	259,200	(2)	259,200	-	*
Flannery, Todd	100,000	(9)	100,000	-	*
Flowers, Tim	43,200	(2)	43,200	-	*
Holland, Bryan	58,000	(10)	58,000	-	*
Garbourel, Victor	800,000	(1)	800,000	-	*
Giffhorn, Jesse	113,500	(2)	112,000	1,500	*
Giffhorn, Lowell	577,000	(4)	532,000	45,000	*
Griesel, Dian	240,000	(5)	240,000	-	*
Iroquois Master Fund Ltd.	250,000	(3) (11)	250,000		*
Kybartai Trust	100,000	(3) (12)	100,000		*
Kincaid, Doug	150,000	(9)	150,000	-	*
Little Bear Investments LLC	100,000	(3) (13)	100,000		*
Luedloff, Mitchell	43,200	(2)	43,200	-	*
Midtown Partners LLC	60,000	(5) (14)	60,000		*
Morrisett, Michael	470,000	(5)	270,000	200,000	*
Neilitz, Jason	150,000	(9)	150,000	-	*
Opperman, Anthony Wayne	200,000	(1)	200,000	-	*
Opperman, Donald	43,200	(2)	43,200	-	*
Pensky, Zachary	140,000	(3)	140,000		*
Potawatomi Business Devel Corp	2,000,000	(8)	2,000,000	-	*
Pratt, Steven	23,200	(10)	23,200	-	*
Shady Beach Trust	108,000	(2) (15)	108,000	-	*
Vermaelen, Theo	740,759	(6)	86,400	654,359	2.7%
Zolin, James and Josephine	280,000	(7)	280,000	-	*

* less than 1%

(1) Includes shares of common stock issuable upon the conversion of 8% convertible debenture(s) plus shares of common stock currently outstanding issued on the exercise of the rights offering.

(2)

Includes shares of common stock issuable upon the conversion of 8% convertible debenture(s) plus the payment of interest in common stock plus shares of common stock currently outstanding issued on the exercise of the rights offering.

(3) Includes shares of common stock issuable upon the exercise of common stock purchase warrants issued to investors who participated in a short term bridge loan including common stock issuable as a result of resets related to a rights offering.

(4) Mr. Giffhorn, an affiliate, is a director and Chief Financial Officer of the Company. The number of shares includes 345,000 shares of common stock and 232,000 shares of common stock issuable upon the conversion of 8% convertible debentures, including interest.

(5) Includes shares of common stock issuable upon the exercise of common stock purchase warrants issued to individuals for services they provided including common stock issuable as a result of resets related to a rights offering.

(6) Dr. Vermaelen, an affiliate, is a director of the Company. The number of shares includes 694,359 shares of common stock and 46,400 shares of common stock issuable upon the conversion of an 8% convertible debenture, including interest.

(7) Includes 90,000 shares of common stock issuable upon the conversion of 8% convertible debentures, including interest, 100,000 shares of common stock issuable upon the exercise of a common stock purchase warrant issued for their participation in a short term loan and 90,000 shares of common stock currently outstanding issued on the exercise of the rights offering.

(8) Includes 2,000,000 shares of common stock issuable upon the conversion of an 8% convertible debenture. The shares issuable to the Potawatomi Business Development Corp. (PBDC) on the conversion of debentures or the exercise of warrants would not be deemed beneficially owned (due to exercise restrictions within the debenture and warrants) within the meaning of Sections 13(d) and 13(g) of the Exchange Act to the extent that their acquisition in a debenture conversion or a warrant exercise by the PBDC would cause the PBDC to own in excess of 4.99% of our outstanding common stock immediately following such exercise. By the terms of the debenture and warrants, the 4.99% limitation may be increased to a maximum of 9.99% if the Company accepts a tender offer and a change in control takes place. Therefore, it is expected that the PBDC will not beneficially own more than 9.99% of our outstanding common stock at any time. Carol Lease has the sole voting and/or dispositive powers with respect to the securities owned by the PBDC.

(9) Includes shares of common stock issuable upon the conversion of 8% convertible debenture(s).

(10) Includes shares of common stock issuable upon the conversion of 8% convertible debenture(s) plus the payment of interest in common stock.

(11) Iroquois Capital Management, LLC is the trading manager of Iroquois Master Fund Ltd. and has voting and investment discretion over the securities held by Iroquois Master Fund Ltd. Joshua Silverman has control over Iroquois Capital Management, LLC and, in turn, has voting and investment discretion over the securities held by Iroquois Master Fund, Ltd. Both Iroquois Capital Management, LLC and Joshua Silverman disclaim beneficial ownership of the securities held by Iroquois Master Fund.

(12) Wolf Prensky has the sole voting and/or dispostive powers with respect to the securities owned by The K ybartai Trust.

(13) Jeffrey Mann and Zachary Prensky share the voting and/or dispositive powers with respect to the shares owned by Little Bear Investments LLC.

(14) Bruce Jordan has the sole voting and/or dispostive powers with respect to the securities owned by Midtown Partners LLC. We have entered into a Placement Agent Agreement with Midtown Partners LLC who is a registered broker-dealer. The shares offered for resale by Midtown Partners LLC on the exercise of a warrant were acquired as transaction-based compensation earned for investment banking services.

(15) Nancy Hughes has the sole voting and/or dispostive powers with respect to the securities owned by Shady Beach Trust.

(16) Mr. Morrisett has entered into a Finders Fee Agreement with us. The shares offered for resale by Mr. Morrisett on the exercise of warrants were acquired as a result of the Finders Fee Agreement.

(17) Ms. Griesel is a principal for Investor Relations Group, an investor relations firm, whom we have entered into a contract with to provide services. The shares offered for resale by Ms. Griesel on the exercise of a warrant were acquired as a result of this agreement.

INFORMATION ABOUT US

The Company

On September 15, 2006, we changed our name to Brendan Technologies, Inc., a Nevada corporation (“Brendan”) from Omni U.S.A., Inc., a Nevada corporation (“Omni”). On December 29, 2005, Omni merged with Brendan Technologies, Inc., a Michigan corporation formed on October 31, 1997 doing business as Brendan Scientific Corporation (“Brendan Sub”). Brendan Sub became the surviving corporation in the merger and a wholly-owned subsidiary of Omni. Brendan Sub continues its corporate existence under the laws of the State of Michigan and is our only subsidiary. We conduct all of our operations through Brendan Sub. Our address is 2236 Rutherford Road, Suite 107, Carlsbad, California 92008, and our telephone number is (760) 929-7500. Our home page can be located on the World Wide Web at http://www.brendan.com.

We are a software company that designs, develops and markets computational analytical software products for the laboratory testing industry. Brendan’s laboratory workflow and analysis software platform manages the raw, computed and analytical data in testing laboratories and in manufacturing.

Brendan evolved from the initial work of our founder John R. Dunn II, Ph.D., now our Chairman, President, Chief Executive Officer and Chief Technical Officer. Brendan’s first commercialized product is StatLIA®, software designed specifically for immunoassay testing. Since Dr. Dunn’s early work on StatLIA® over ten years ago, StatLIA® has been developed with software engineers, mathematicians and laboratory professionals who specialize in laboratory testing. Over the years, StatLIA® has been used in laboratories, undergoing numerous revisions and additions to develop the product.

There can be no assurance that we can achieve profitable operations, and we will need additional financial resources during the next twelve months.

Background

Concurrent with the merger, 4,754,709 shares of Brendan Sub common stock outstanding immediately before the merger were converted into 19,018,836 shares of Omni common stock, a four for one ratio. Also concurrently with the merger, (i) 4,352,879 shares of Omni common stock were issued to the holders of Brendan Sub Senior and Bridge Notes totaling $2,654,198 in aggregate principal and interest, a conversion rate of 1.64 shares per $1.00 under such debt; and (ii) 900,000 shares of Omni common stock were issued to individuals who participated in the arrangement of the merger.

Common stock options and warrants exercisable into 973,500 shares of Brendan Sub before the merger became exercisable into 3,894,000 common shares of Omni after the merger. The exercise price of the Omni stock options and warrants was adjusted to 25% of the exercise price of the Brendan Sub stock options and warrants.

Concurrent with the merger, on December 29, 2005, Omni entered into an agreement pursuant to which, immediately following the merger, Omni sold all of the issued and outstanding shares of capital stock of Omni U.S.A., Inc., a Washington corporation and Butler Products Corporation, each of which was previously a wholly-owned subsidiary, in exchange for a three-year promissory note due on December 29, 2008, in the amount of $672,000, which was discounted to $498,000.

Prior to the transactions effected by the merger, Omni-Washington and Butler constituted substantially all of Omni’s operations. Following the transactions effected by the merger, Brendan Sub is now our sole wholly-owned subsidiary, and we conduct all our operations through Brendan.

BUSINESS

Available Information

We file reports, proxy statements and other information with the SEC, and these reports may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The same information may be obtained at the following Regional Offices of the SEC: 75 Park Place, New York, New York 10007, and the Northwest Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60621. Copies of such material may be obtained from the Public Reference Section of the SEC's Washington, D.C. office at prescribed rates.

We will mail a copy of our Annual Report on Form 10-K along with a proxy statement, or in the alternative an information statement, to our shareholders prior to any annual meeting.

We have filed a registration statement on Form S-1, of which this prospectus is a part, with the SEC. This registration statement or any part thereof may also be inspected and copied at the public reference facilities of the SEC.

Our filings may also be accessed through the SEC's web site (http://www.sec.gov) or by visiting our web site at (http://www.brendan.com) and linking to the SEC's site.

Organization and Corporate Development.

Our only product is StatLIA®, analytical software used in immunoassay testing. StatLIA® is developed, marketed and sold by Brendan Technologies, Inc., a Michigan corporation, our wholly owned subsidiary. This is our only subsidiary.

StatLIA®

Immunoassays, one of the world's largest and fastest growing testing technologies, is used to test for metabolites found in AIDS, hepatitis, cancer, environmental pollutants, side effects of new drugs and thousands of other biological and environmental substances. Immunoassays are a broadly applicable technology allowing low cost, rapid analysis through high throughput testing. Immunoassays are used extensively in pharmaceutical, hospital, clinical reference, academic and industrial research, environmental, agricultural, food processing and veterinarian laboratories throughout the world.

StatLIA® uses comprehensive statistics to directly or indirectly analyze the performance of each of the nine immunoassay components (label, tracer, antibody, buffer, incubation, separation, standards, controls and unknowns). StatLIA® stores a fixed set of stable reference assays which are statistically compared to a single assay or multiple assays to detect changes in reagents or incubation conditions. With a reference set of at least two assays, standard curve and control specimen parameters in the current assay are statistically compared to the same parameter in the reference assays to identify any statistically significant differences.

StatLIA® is intended to address the following:

· Insufficient Quality - Error rates in Immunoassay testing is estimated to be as high as 4%. Testing errors and the inability to directly locate error sources is costly and time consuming. We believe that StatLIA® will reduce the error rates and enhance the tester's ability to locate the error source.

· Lack of Automation - Immunoassay testing is very labor intensive due to many manual steps in the processing, tracking and analysis of the data produced. With high throughput testing becoming the industry norm, the data needs to be managed with even greater efficiency. We believe that StatLIA® will reduce such labor costs.

· Regulatory Compliance - Federal regulations are placing increasing demands for compliance with the Food and Drug Administration's ("**FDA**") quality assurance regulations. We believe that StatLIA® will meet the growing need for automated software that can assist laboratories in complying with the regulations.

· Need for Better Data Management - Improved technologies have allowed greater automation in Immunoassay testing, increasing throughput volumes but requiring better connectivity and standardization for the management of the data generated. We believe that StatLIA® will address the need for greater connectivity and standardization.

Brendan first targeted the immunoassay market with StatLIA® because it is a fragmented and large market that may allow Brendan to sell our software to testing equipment distributors and original equipment manufacturers ("**OEM**s"), and earn a share of business from large organizations.

Users of StatLIA® include device and reagent manufacturers, pharmaceutical companies, clinical diagnostic centers and government testing laboratories. Distributors of StatLIA® include device and reagent manufacturers and their distributors, as well as Brendan's direct sales force.

Customer Base

We have used most of our capital to date in the development of StatLIA® and the expansion of the program to encompass all of the differing immunoassay technologies and workflow configurations found in research and clinical laboratories. Existing customers who have used StatLIA® in laboratories include several large pharmaceutical companies, clinical diagnostic organizations, reagent manufacturers and research entities. This client base also serves as a source of revenue for additional instruments and workstations, and support and maintenance renewal fees.

Many of our institutional clients operate under rigorous FDA regulations, or the European equivalent, and the FDA requires that new software products be validated.

Strategy

Industry Analysis

Using data obtained from Morgan Stanley Dean Witter, Global Industry Analysts, and other published industry and marketing reports, and instrument manufacturer sales figures, we estimate this market to represent over $1 billion in revenue and does not include the food processing, agricultural, veterinarian, or the rapidly expanding environmental immunoassay markets. This also does not include software applications for other technologies. According to the Health Industry Manufacturer's Association, more than $50 billion in medical devices, diagnostic products and health information systems are currently purchased annually in the United States and more than $120 billion worldwide. This represents only the clinical market segment and not pharmaceutical, research, environmental and other segments.

Conventional laboratory software falls into two primary areas: laboratory management or instrumentation. Laboratory management software handles billing, report generation, and other administrative tasks. The software is not designed for complex technical computation. Software for the testing instruments operates as dedicated systems and is basically designed only to generate results. It is not designed for the complete statistical analysis and data management and record keeping requirements for pharmaceutical, clinical or research labs, nor is it designed to exist in a cooperative environment with other immunoassay instruments.

StatLIA® was introduced to meet this need, which we believe no other commercial software available meets. By using StatLIA® for their assay validation and documentation as well as standardizing on it as one uniform system throughout their organization, pharmaceutical companies may save substantial time and resources supplying the necessary documentation to get new drugs to market and clinical laboratories may increase productivity and reliability while reducing costs.

Market

We believe that through Brendan we have the opportunity to introduce a product to serve an under-served niche market: the software used in biomedical and non-biomedical testing laboratories. The testing industry generates more than $100 billion in revenues each year to run tests for drug development, medical diagnostics and treatments, water and soil samples, infectious disease research, food contaminants, and numerous other health and industry-critical applications.

Brendan has focused on the analytical segment of the market. This is the computation, storage and analysis of the raw signal data generated by a testing instrument. However, the majority of the software used to analyze these tests is a part of the instrument software that is provided by the instrument manufacturer. These routines do not provide all of the capabilities and are not as extensive as the data currently computed by StatLIA®.

StatLIA® allows laboratories to interface all of their immunoassay testing instruments into one uniform system. As one system, as compared to the more common configurations consisting of isolated testing instruments, the StatLIA® system can be easily interfaced to our customer’s main database for reporting patient results and recording clinical trial data, among other processes. The system also integrates into a laboratory’s network, so that multiple computers can be used to prepare, compute, analyze and report all assay data, thereby increasing workflow. StatLIA®’s superior quality control process not only determines the accuracy of the test more reliably than other software currently available, but also pinpoints the specific cause of a problem in a bad test, dramatically reducing laboratory downtime and reagent costs.

Competition

Almost all immunoassay software is produced and sold by manufacturers bundled with their instruments. The software is included to stimulate sales of their instruments and is not usually marketed as a stand-alone product. Conventional laboratory software falls into two primary areas: laboratory management or instrumentation functionality. Laboratory management software handles billing, report generation and other administrative tasks. The software is not designed for complex technical computation. On the other hand, software for testing instruments operates as a dedicated system and is designed primarily to generate testing data. This software has limitations meeting the complete statistical analysis, data management, data utilization and record keeping demands of pharmaceutical, clinical or research labs, nor is it designed to exist in a cooperative environment with other testing instruments.

Prior to Brendan, we believe that no company has focused as extensively on the gap between instrument operational software and administrative LIM software. Brendan has worked with several industry-leading labs to develop StatLIA® and we believe that StatLIA® is a unique software product that surpasses any software currently available for this market.

To date, the majority of StatLIA® sales have been replacing existing OEM software on testing equipment. This software, bundled with the instruments, is Brendan’s current main competition. Existing equipment-specific software include Softmax, used for Molecular Device’s microplate readers and KC4 used for BioTek Instrument’s microplate readers. We believe instrument manufacturers are excellent prospects for distribution agreements to incorporate or bundle our software with their instruments.

Intellectual Property

We attempt to protect the proprietary aspects of our products with copyrights, trade secret law and internal nondisclosure safeguards. The source code for the software contained in our products is considered proprietary and we do not furnish source code to our customers. We have also entered into confidentiality agreements with our employees. Despite these restrictions, it may be possible for competitors or users to copy aspects of our products or to obtain information that we regard as a trade secret.

There is a rapid pace of technological change in the software industry, which in turn compels us to continually enhance and extend our product lines. We believe that patent, trade secret and copyright protection is less significant to our competitive position than factors such as the knowledge, ability and experience of our personnel, new product development, frequent product enhancements, name recognition and ongoing, reliable product maintenance and support.

Marketing and Distribution.

Our products are marketed through a combination of direct sales and distributors. Approximate sales by principal geographic area (as a percentage of sales) for the fiscal years ended June 30, 2007 and 2006 were as follows:

	2007	2006
Domestic sales	96.5%	90.4%
Foreign sales		
Europe	2.8%	6.6%
Other	.7%	3.0%
Total sales	100.0%	100.0%

All of our operating assets are located within the United States. While sales to certain geographic areas generally vary from year to year, we do not expect that changes in the geographic composition of sales will have a material adverse effect on operations.

Dependence Upon Single Customers.

Ten percent (10%) or more of our consolidated net sales were derived from shipments to the following customers for the fiscal years ended June 30, 2007 and 2006 as follows:

	2007	2006
BioRad	$ 125,000	$ 289,000
Amgen	61,900	-

All of the above sales were shipped against multiple purchase orders from each customer.

Facilities

We conduct our corporate functions and manufacturing, product development, sales and marketing activities in Carlsbad, California. We rent 3,988 square feet of office space at 2236 Rutherford Road, Suite 107, Carlsbad, California 92008 under a two-year lease ending May 31, 2008 for a monthly rent ranging from $4,825 for the first year increasing to $4,985 for the second year. The average monthly rent for the two-year period is $4,905. This space is adequate to meet our foreseeable future needs.

Employees

Brendan currently has 14 full time employees and two part time consultants. Brendan has entered into employment agreements with certain of our employees.

Our future success depends in significant part upon the continued services of our key technical and senior management personnel. The competition for highly qualified personnel is intense, and there can be no assurance that we will be able to retain our key managerial and technical employees or that we will be able to attract and retain additional highly qualified technical and managerial personnel in the future. None of our employees is represented by a labor union, and we consider our relations with our employees to be good. None of our employees is covered by key man life insurance policies.

Government Regulation

To our knowledge, our products are not subject to governmental regulation by any federal, state or local agencies that would affect the manufacture, sale or use of our products, other than occupational health and safety laws and labor laws which are generally applicable to most companies. We cannot, of course, predict what sort of regulations of this type may be imposed in the future but do not anticipate any unusual difficulties in complying with governmental regulations which may be adopted in the future.

We have not incurred costs associated with environmental laws and do not anticipate such laws will have any significant effect on our future business.

USE OF PROCEEDS

We will not receive any proceeds from the resale of these securities. We may receive proceeds on the exercise of the warrants of up to $762,000.

LEGAL PROCEEDINGS

None.

MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Preliminary Notes Regarding Forward-Looking Statements

Investors should understand that several factors govern whether any forward-looking statement contained herein will be or can be achieved. Any one of those factors could cause actual results to differ materially from those projected herein. These forward-looking statements include plans and objectives of management for future operations, including plans and objectives relating to our products and future economic performance. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, future business decisions, and the time and money required to successfully complete development projects, all of which are beyond our control. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of those assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in any of the forward-looking statements contained herein will be realized. Based on actual experience and business developments, the impact of which may cause us to alter our marketing, capital expenditure plans or other budgets, which may in turn affect our results of operations in light of the other significant uncertainties inherent in the forward-looking statements included herein, the inclusion of any such statement should not be regarded as a representation by us or any other person that our objectives or plans will be achieved.

Overview

Brendan completed a reverse merger transaction on December 29, 2005 with Brendan Sub, a Michigan corporation formed in October 1997. Prior to the merger, Omni, through its wholly-owned subsidiary, Omni U.S.A., Inc., a Washington corporation ("Omni-Washington") and Omni-Washington's wholly-owned subsidiary, Omni Resources, Ltd., a Hong Kong company ("Omni Resources"), through its wholly-owned manufacturing facility, Shanghai Omni Gear Co., Ltd.("Shanghai Omni Gear"), designed, developed, manufactured and distributed power transmissions (also known as "gearboxes" or "enclosed gear drives") for use in agricultural, industrial, "off-highway" and construction equipment. Omni, through another wholly-owned subsidiary, Butler Products Corporation, designed, developed, manufactured and distributed trailer and implement jacks and couplers, which included light and heavy-duty jacks and couplers used in a variety of trailers. Immediately following the closing of the merger, the subsidiaries of Omni were sold to its founders and Brendan Sub became the only wholly owned subsidiary of Omni, the public company which was renamed Brendan Technologies, Inc, a Nevada corporation, in September 2006. Brendan Sub continues to be the only operating subsidiary of Brendan Technologies, Inc.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

On an ongoing basis, we evaluate our estimates, including those related to our product returns, bad debts, intangible assets, long-lived assets and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We have identified two accounting policies that we believe are key to an understanding of our financial statements. These important accounting policies require management's most difficult, subjective judgments.

1. Revenue Recognition

We recognize revenues related to software licenses and software maintenance in accordance with the American Institute of Certified Public Accountants (“AICPA”) Statements of Position (“SOP”) No. 97-2, “Software Revenue Recognition,” as amended by SOP No. 94-4 and SOP No. 98-9. We follow the guidance established by the SEC in Staff Accounting Bulletin No. 104, as well as generally accepted criteria for revenue recognition, which require that, before revenue is recorded, there is persuasive evidence of an arrangement, the fee is fixed or determinable, collection is reasonably assured, and delivery to our customer has occurred. In addition, our invoices may include multiple elements that identify vendor specific objective evidence of fair value for each of those elements. We recognize revenue as follows:

Software- our software is sold with an indefinite license period, and as such, product revenue is recorded at the time of the customer's acceptance (generally 30 days after shipment which allows for a 30 day return guarantee if the customer is not satisfied with the product), net of estimated allowances and returns.

Post-contract customer support- ("PCS") obligations are generally for annual services and are recognized over the period of service. Revenues for which payment has been received are treated as deferred revenue until services are provided and revenues have been earned.

Training and service calls- recognized at the time training or service calls are provided.

Royalties- we recognize revenue from royalties only after the cash has been collected (typically 30 days after the end of the quarter on which the royalty payment is based.)

Licensing- we also derive license revenue from fees for the transfer of proven and reusable intellectual property components. Generally, these payments will include a nonrefundable technology license fee, which will be payable upon the transfer of intellectual property. License fees will be recognized upon the execution of the license agreement and transfer of intellectual property provided no further significant performance obligations exist and collectibility is deemed probable.

Customization revenue- fees related to software service contracts to aid customers in adapting such intellectual property to their particular instruments, which will be performed on a best efforts basis and for which we will receive periodic milestone payments, will be recognized as revenue over the estimated development period, using a cost-based percentage of completion method.

2. Going Concern

The financial statements have been prepared on a going concern basis. However, during the quarter ended September 30, 2007 and the years ended June 30, 2007 and 2006, we incurred net losses of $707,451, $2,110,698 and $845,393, respectively, and had an accumulated deficit of $9,059,858, $8,352,407 and $6,241,709, at September 30, 2007 and June 30, 2007 and 2006, respectively. In addition, at September 30, 2007, we had a working capital deficit of $3,129,340 and are in default on $228,890 of debt and interest. Our ability to continue as a going concern is dependent upon our ability to generate profitable operations in the future and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. The outcome of these matters cannot be predicted with any certainty at this time and as such raise substantial doubt as to our ability to continue as a going concern. Since inception, we have satisfied our capital needs through debt and equity financings and expect to continue to fund from these sources until profitability is achieved. There can be no assurance that funds will be available at terms favorable to us or that future profitability can be achieved.

Results of Operations

On December 29, 2005, we completed the acquisition of substantially all the assets of Brendan Sub pursuant to the Merger Agreement and completed the disposition of substantially all the assets of Omni-Washington and Butler pursuant to the Stock Purchase Agreement. As a result of these transactions and the issuance of common stock to the shareholders, noteholders and individuals who assisted in the merger, Brendan Sub, a now wholly-owned subsidiary of ours, became the accounting acquirer and the transaction was accounted for as a reverse merger acquisition.

Three Months Ended December 31, 2007 Compared to Three Months Ended December 31, 2006

Selected Financial Information

	Three Months Ended December 31, 2007	2006	Increase (Decrease)	%
Statements of Operations				
Revenues	$ 206,981	$ 135,253	$ 71,728	53.0%
Selling expenses	35,734	24,756	10,978	44.3%
Research and development	126,961	115,309	11,652	10.1%
General and administrative expenses	477,841	449,916	27,925	6.2%
Interest expense	271,904	104,101	167,803	161.2%
Total expenses	912,440	694,082	218,358	31.5%
Net (loss)	$ (705,459)	$ (558,829)	$ 146,630	26.2%
Net (loss) per basic and diluted share	$ (0.03)	$ (0.02)	$ 0.01	50.0%

<u>Revenues</u>

Revenues for the quarter ended December 31, 2007 increased $71,728, 53.0%, to $206,981 compared to $135,253 for the quarter ended December 31, 2006. The primary reason for the revenue increase was an approximate $54,000 increase in the sale of our existing StatLIA software plus an approximate $20,000 increase in training, maintenance and support related to our software. We anticipate that revenue will decline for the next quarter as our customers are anticipating the release of our upgraded version of the StatLIA software to an enterprise level during the first half of calendar year 2008.

<u>Selling Expenses</u>

Selling expenses increased by $10,978, 44.3%, to $35,734 for the three months ended December 31, 2007 from $24,756 for the three months ended December 31, 2006. This increase was primarily due to an increase in selling commission expense as a result of the increased revenue during the current fiscal quarter.

<u>Research and Development Expenses</u>

Research and development expenses increased by $11,652, 10.1%, to $126,961 for the three months ended December 31, 2007 from $115,309 for the three months ended December 31, 2006. This increase was primarily due to an increase in software engineers to complete the upgrade of our StatLIA software to an enterprise version.

<u>General and Administrative Expenses</u>

General and administrative expenses increased by $27,925, 6.2%, to $477,841 for the quarter ended December 31, 2007 from $449,916 for the quarter ended December 31, 2006. The primary reasons for the increase were approximately $18,000 increase in personnel to ramp up for the anticipated release of our StatLIA software to an enterprise version during the first half of calendar year 2008 and approximately $21,000 related to travel and trade show presentations offset by a reduction in legal and accounting costs.

Interest Expense

Interest expense increased by $167,803, 161.2% increase, to $271,904 for the quarter ended December 31, 2007 from $104,101 for the quarter ended December 31, 2006. The primary reason for the increase in interest was a result of the issuance of 8% convertible debentures and the issuance of secured bridge loans.

Six Months Ended December 31, 2007 Compared to Six Months Ended December 31, 2006

Selected Financial Information

	Six Months Ended December 31, 2007	Six Months Ended December 31, 2006	Increase (Decrease)	%
Statements of Operations				
Revenues	$ 366,807	$ 222,648	$ 144,159	64.7%
Selling expenses	78,422	47,961	30,461	63.5%
Research and development	245,729	198,444	47,285	23.8%
General and administrative expenses	945,096	767,840	177,256	23.1%
Interest expense	510,470	173,104	337,366	194.9%
Total expenses	1,779,717	1,187,349	592,368	49.9%
Net (loss)	$ (1,412,910)	$ (964,701)	$ 448,209	46.5%
Net (loss) per basic and diluted share	$ (0.06)	$ (0.04)	$ 0.02	50.0%

Revenues

Revenues for the six months ended December 31, 2007 increased $144,159, 64.7%, to $366,807 compared to $222,648 for the six months ended December 31, 2006. The primary reason for the revenue increase was an approximate $84,000 increase in the sale of our existing StatLIA software, an approximate $41,000 increase in sales of packages used to validate our software plus an approximate $28,000 increase in training, maintenance and support related to our software. We anticipate that revenue will decline for the next quarter as our customers are anticipating the release of our upgraded version of the StatLIA software to an enterprise level during the first half of calendar year 2008.

Selling Expenses

Selling expenses increased by $30,461, 63.5%, to $78,422 for the six months ended December 31, 2007 from $47,961 for the six months ended December 31, 2006. This increase was primarily due to the increase in our sales force and an increase in selling commission expense as a result of the increased revenue during the current fiscal year.

Research and Development Expenses

Research and development expenses increased by $47,285, 23.8%, to $245,729 for the six months ended December 31, 2007 from $198,444 for the six months ended December 31, 2006. This increase was primarily due to an increase in software engineers to complete the upgrade of our StatLIA software to an enterprise version.

General and Administrative Expenses

General and administrative expenses increased by $177,256, 23.1%, to $945,096 for the six months ended December 31, 2007 from $767,840 for the six months ended December 31, 2006. The primary reasons for the increase were approximately $140,000 increase in personnel to ramp up for the anticipated release of our StatLIA software to an enterprise version during the first half of calendar year 2008 and approximately $33,000 related to travel and trade show presentations.

Interest Expense

Interest expense increased by $337,366, 194.9% increase, to $510,470 for the six months ended December 31, 2007 from $173,104 for the six months ended December 31, 2006. The primary reason for the increase in interest was a result of the issuance of 8% convertible debentures and the issuance of secured bridge loans.

Year Ended June 30, 2007 Compared to the year ended June 30, 2006

Selected Financial Information

	Year Ended June 30, 2007	Year Ended June 30, 2006	Increase (Decrease)	%
Statements of Operations				
Revenues	$ 521,330	$ 681,337	$ (160,007)	-23.5%
Selling expenses	101,296	103,190	(1,894)	-1.8%
General and administrative expenses	2,115,310	1,215,966	899,344	74.0%
Other income	(38,121)	-	(38,121)	NM
Interest expense	453,543	207,574	245,969	118.5%
Total expenses	2,632,028	1,526,730	1,105,298	72.4%
Net (loss)	$ (2,110,698)	$ (845,393)	$ (1,265,305)	149.7%
Net (loss) per basic and diluted share	$ (0.09)	$ (0.06)	$ (0.03)	50.0%

Revenue

Revenue for the year ended June 30, 2007 decreased $160,007, 23.5%, to $521,330 compared to $681,337 for the year ended June 30, 2006. The primary reason for the sales decrease was during the year ended June 30, 2006 we received a pre-release order amounting to approximately $127,000 for a minor segment of our upgraded version of the StatLIA® software. No similar licenses were received during the current fiscal year. In addition, revenue has been negatively impacted due to our customers waiting for the release of our upgraded version of StatLIA®. The upgraded version of StatLIA® is scheduled to be released during the first half of fiscal year 2008.

Selling Expenses

Selling expenses for the year ended June 30, 2007 remained stable at $101,296 compared to $103,190 for the year ended June 30, 2006.

General and Administrative Expenses

General and administrative expenses increased by $899,344, 74.0%, to $2,115,310 for the year ended June 30, 2007 from $1,215,966 for the year ended June 30, 2006. The primary reasons for the increase were approximately $673,000 related to an increase in personnel, approximately $45,000 related to increasing the infrastructure to upgrade our StatLIA® software, approximately $113,000 related to our investor relations program and approximately $39,000 increase in travel and trade show costs.

Interest Expense

Interest expense increased by $245,969, 118.5%, to $453,543 for the year ended June 30, 2007 from $207,574 for the year ended June 30, 2006. The primary reason for the increase was the increase in interest expense related to convertible debentures.

Capital Resources

Working Capital	As of December 31, 2007	As of June 30, 2007	Increase (Decrease)
Current assets	$ 259,958	$ 250,218	$ 9,740
Current liabilities	3,678,151	1,929,861	1,748,290
Working capital deficit	$ (3,418,193)	$ (1,679,643)	$ 1,738,550
Long-term debt	$ 438,289	$ 1,381,629	$ (943,340)
Stockholders' deficit	$ (3,706,835)	$ (2,875,965)	$ 830,870

Statements of Cash Flows Select Information	Six Months Ended December 31, 2007	Six Months Ended December 31, 2006	Increase (Decrease)
Net cash provided (used) by:			
Operating activities	$ (1,000,256)	$ (804,297)	$ 195,959
Investing activities	$ (9,956)	$ (26,830)	$ (16,874)
Financing activities	$ 957,549	$ 996,928	$ (39,379)

Balance Sheet Select Information	As of December 31, 2007	As of June 30, 2007	Increase (Decrease)
Cash and cash equivalents	$ 32,353	$ 85,016	$ (52,663)
Accounts receivable	$ 118,068	$ 75,283	$ 42,785
Accounts payable and accrued expenses	$ 1,511,618	$ 1,382,875	$ 128,743

Liquidity

Brendan has historically financed its operations through debt and equity financings. At December 31, 2007, we had cash holdings of $32,353, a decrease of $52,663 compared to June 30, 2007. Our net working capital deficit at December 31, 2007, was $3,418,193 compared to $1,679,643 as of June 30, 2007.

These financial statements have been prepared on a going concern basis. However, during the six months ended December 31, 2007 and the year ended June 30, 2007, the Company incurred net losses of $1,412,910 and $2,110,698, respectively, and had an accumulated deficit of $9,765,318 and $8,352,407, at December 31, 2007 and June 30, 2007, respectively. The Company's ability to continue as a going concern is dependent upon its ability to generate profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The outcome of these matters cannot be predicted with any certainty at this time. Since inception, the Company has satisfied its capital needs through debt and equity financings. During the six months ended December 31, 2007, the Company issued $555,000 of 15% secured bridge loans, net of costs amounting to $45,000.

Management plans to continue to provide for its capital needs during the twelve months ending December 31, 2008, by increasing sales through the continued development of its products and by debt and/or equity financings. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

New Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities”. This Statement permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007, which for us will be the fiscal year beginning April 1, 2008. We are currently assessing the impact of SFAS No. 159 on our financial position and results of operations.

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measures”. This Statement defines fair value, establishes a framework for measuring fair value in generally GAAP, expands disclosures about fair value measurements, and applies under other accounting pronouncements that require or permit fair value measurements. SFAS No. 157 does not require any new fair value measurements. However, the FASB anticipates that for some entities, the application of SFAS No. 157 will change current practice. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, which for us will be the fiscal year beginning April 1, 2008. We are currently evaluating the impact of SFAS No. 157 but do not expect that it will have a material impact on our financial statements.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On December 29, 2005, Omni completed the acquisition of substantially all the assets of Brendan Sub pursuant to the Merger Agreement and completed the disposition of substantially all the assets of Omni-Washington and Butler pursuant to the Stock Purchase Agreement. On December 29, 2005, Omni provided notice to Harper & Pearson Company (“Harper & Pearson”) that they would no longer be retained as Omni’s independent registered accounting firm. Harper & Pearson’s reports on the consolidated financial statements of Omni and its subsidiaries for the two most recent fiscal years ended June 30, 2005, did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles.

On December 29, 2005, the Board of Directors of Omni elected to engage Farber Hass Hurley McEwen LLP (“FHHM”) to serve as Omni’s independent registered accounting firm.

On December 29, 2005, Omni was informed that it had been accepted as a client of FHHM.

During our two most recent fiscal years ended June 30, 2005 and the subsequent interim period through December 29, 2005, there were no disagreements between Omni and Harper & Pearson on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Harper & Pearson's satisfaction, would have caused them to make reference to the subject matter of the disagreement in their reports on the financial statements for such years.

Omni has authorized Harper & Pearson to respond fully to the inquiries of FHHM concerning the subject matter of the reportable event and has provided Harper & Pearson with a copy of the foregoing disclosures. Attached as Exhibit 99.3 to our Current Report on Form 8-K filed on January 5, 2006 is a copy of Harper & Pearson's letter, dated January 4, 2006, stating its agreement with the statements related to it.

During Omni's two fiscal years ended June 30, 2005, and the subsequent interim period through December 29, 2005, Omni did not consult FHHM with respect to the application of accounting principles to a specific transaction, either completed or contemplated, or the type of audit opinion that might be rendered on Omni’s consolidated financial statements, or any other matters of reportable events as set forth in Items 304(a)(2)(i) and (ii) of Regulation S-B.

MANAGEMENT

Directors and Executive Officers

Our directors and executive officers are as follows:

Name	Age	Position
John R. Dunn II	56	Chairman, Chief Executive Officer, President, and Director
George Dunn	50	Secretary, Chief Operating Officer
Lowell W. Giffhorn	60	Chief Financial Officer and Director
Theo Vermaelen	53	Director
Stephen Eisold	60	Director
Jason Booth	41	Director

The business experience of each of our executive officers and directors is set forth below.

John R. Dunn II is the founder of Brendan and has served as the Chairman, Chief Executive Officer, President and Director of Brendan since 1997. Dr. Dunn has had extensive experience in hospital and clinical laboratories, including bio-science laboratories. He has set up and run a reference laboratory specializing in immunoassays and been a consultant in immunoassay development and statistics for several clinical and hospital laboratories. Dr. Dunn obtained a Ph.D. in Biology from Wayne State University, Detroit, MI, in 1987 and he obtained a B.S. in Biology from Wayne State University in 1974.

George Dunn has served as the Secretary and Chief Operating Officer of Brendan since 1997. Mr. Dunn has extensive experience in marketing and sales and the implementation of strategic plans, market segment analysis, promotions, sales and sales support development. Mr. Dunn received his B.A. in Communication Arts from Michigan State University in 1981.

Lowell W. Giffhorn has served as our Chief Financial Officer since October 2005. Since July 2005, Mr. Giffhorn also serves as the Chief Financial Officer of Imagenetix, Inc., a publicly held nutritional supplement company. Mr. Giffhorn was the Chief Financial Officer of Patriot Scientific Corp., a publicly held semiconductor and intellectual property company, from May 1997 to June 2005 and was a member of its Board of Directors from August 1999 to April 2006. From June 1992 to August 1996 and from September 1987 to June 1990 he was the CFO of Sym-Tek Systems, Inc. and Vice President of Finance for its successor, Sym-Tek Inc., a supplier of capital equipment to the semiconductor industry. Mr. Giffhorn obtained a M.B.A. degree from National University in 1976 and he obtained a B.S. in Accountancy from the University of Illinois in 1969. Mr. Giffhorn is also a director and chairman of the audit committee of DND Technologies, Inc., a publicly held company. Mr. Giffhorn devotes approximately 50% of his time to our affairs.

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Theo Vermaelen has served as a Director since December 2005. Since 2001, Dr. Vermaelen has been the Schroders Chaired Professor of International Finance and Asset Management at INSEAD, a business school with campuses in Fontainebleau, France and Singapore. From 1998 to 2003, Dr. Vermaelen was portfolio manager of the KBC equity buyback fund. Dr. Vermaelen has taught at the University of British Columbia, the Catholic University of Leuven, London Business School, UCLA, the University of Chicago, and Maastricht University. He is the co-editor of the Journal of Empirical Finance. He is also a consultant to various corporations and government agencies and Program Director of the Amsterdam Institute of Finance, a training institute for investment bankers and other financial professionals. Dr. Vermaelen obtained his M.B.A. in 1976 and Ph.D. in Finance in 1980 from the Graduate School of Business, University of Chicago.

Stephen C. Eisold has served as a Director since December 2005. From February 2001 to November 2005, Mr. Eisold was the Chief Executive Officer of Brendan. From 1998 to 2001, Mr. Eisold was the Chief Executive Officer at Axiom Biotechnologies, Inc. From 1996 to 1998, Mr. Eisold was the Executive Vice President and Chief Operating Officer at Cypros Pharmaceutical. Previously Mr. Eisold was the General Manager of North America Pharmaceuticals for Gensia and before which he held various marketing and business development positions with Marion Laboratories. Mr. Eisold obtained a M.B.A. degree from Rockhurst College, Kansas City, MO, in 1981 and a B.S. in Biology from Springfield College, Springfield, MA, in 1968.

Jason Booth has served as a Director since August 2006. Since 1999, Mr. Booth has been the owner of Booth Publications, Inc., which focuses on sales and marketing campaigns primarily for the pharmaceutical industry. For the five years previous to that, Mr. Booth provided executive recruiting and retention consulting services for large and small company human resource departments as an Account Manager for Pro Staff Personnel Services. Mr. Booth is also on the board of directors of the Potawatomi Business Development Corporation, who in July 2006, purchased from us a $1 million 8% convertible debenture with attached common stock purchase warrants. He is also a tribal member of the Turtle Mountain Band of Chippewa Indians. Mr. Booth obtained a B.S. in English from the University of Minnesota in 1989.

John R. Dunn II and George Dunn are brothers.

Except for Dr. Dunn and Mr. Giffhorn, all of our directors are independent directors, as defined by current NASDAQ listing standards and the rules and regulations of the SEC.

Liability and Indemnification of Officers and Directors

Our Articles of Incorporation provides that our directors will not be liable for monetary damages for breach of their fiduciary duty as directors, other than the liability of a director for:

- A breach of the director’s duty of loyalty to our company or our stockholders;

- Acts or omissions by the director not in good faith or which involve intentional misconduct or a knowing violation of law;
- Willful or negligent declaration of an unlawful dividend, stock purchase or redemption; or
- Transactions from which the director derived an improper personal benefit.

Our Articles of Incorporation require us to indemnify all persons whom we may indemnify pursuant to Nevada law to the full extent permitted by Nevada law.

Our bylaws require us to indemnify our officers and directors and other persons against expenses, judgments, fines and amounts incurred or paid in settlement in connection with civil or criminal claims, actions, suits or proceedings against such persons by reason of serving or having served as officers, directors, or in other capacities, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to our best interests and, in a criminal action or proceeding, if he had no reasonable cause to believe that his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of no contest or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to our best interests or that he or she had reasonable cause to believe his or her conduct was unlawful. Indemnification as provided in our bylaws shall be made only as authorized in a specific case and upon a determination that the person met the applicable standards of conduct. Insofar as the limitation of, or indemnification for, liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, or persons controlling us pursuant to the foregoing, or otherwise, we have been advised that, in the opinion of the Securities and Exchange Commission, such limitation or indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable.

Executive Compensation

There is shown below information concerning the compensation of our principal executive officer and the most highly compensated executive officers whose total compensation exceeded $100,000 (each a "Named Officer") for the fiscal years ended June 30, 2007 and 2006.

SUMMARY COMPENSATION TABLE

Name and Principal Position [a]	Fiscal Year [b]	Salary ($) [c]	Option Awards ($) [f]	Total ($) [j]
John R. Dunn II	2007	$ 108,000	$ 5,071	$ 113,071
President, CEO and Director	2006	$ 108,000	$ 27,427	$ 135,427
George Dunn	2007	$ 108,000	$ 5,071	$ 113,071
VP, Secretary and COO	2006	$ 102,000	$ 24,565	$ 126,565

We estimate the fair value of the options issued at the issuance date by using the Black-Scholes option-pricing model with the following weighted-average assumptions used for those options issued during the year ended:

	June 30, 2007	June 30, 2006
Dividend yield	0%	0%

Volatility	42%	1%-30%
Risk-free interest rates	5.10%	2.76%-4.84%
Expected life	5 years	5 years

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name [a]	Number of Securities Underlying Unexercised Options (#) Exercisable [b]	Option Exercise Price ($) [e]	Option Expiration Date [f]
John R. Dunn II	40,000	$ 0.75	April 6, 2011
President, CEO and	60,000	$ 0.64	April 6, 2011
Director	50,000	$ 0.64	June 15, 2012
George Dunn	400,000	$ 0.125	April 6, 2011
VP, Secretary and	400,000	$ 0.025	April 6, 2011
COO	60,000	$ 0.64	April 6, 2011
	50,000	$ 0.64	June 15, 2012

Director Compensation

Name [a]	Fees Earned or Paid In Cash ($) [b]	Option Awards ($) [d]	All Other Compensation ($) [g]	Total ($) [h]
Lowell W. Giffhorn	-	$ 5,071		