GENOMED INC
Form 10KSB
April 04, 2005

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

FORM 10-KSB

Annual Report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2004

Commission file number 333-67232

GenoMed, Inc.
(Exact name of registrant as specified in its charter)

Florida	43-1916702
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

9666 Olive Blvd Suite 310 St Louis, Missouri 63132
(Address of principal executive offices) (Zip Code)

Issuer's telephone number (314) 983-9933

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Name of each exchange on which registered
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Securities registered under Section 12(g) of the Exchange Act:
Common Stock
(Title of class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No |_|

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. |_|

The issuer's revenues for its most recent fiscal year were $3,186

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60

days. (See definition of affiliate in Rule 12b-2 of the Exchange Act.) Trading on March 4, 2005 was at a high of $0.081 and a low of $0.075 based on a volume

406,500 shares.

Note: If determining whether a person is an affiliate will involve an unreasonable effort and expense, the issuer may calculate the aggregate market value of the common equity held by non-affiliates on the basis of reasonable assumptions, if the assumptions are stated.

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS) Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [ ] No [ ]

As of December 31, 2004, there were 195,232,824 shares of our common stock issues and outstanding. As of March 4, 2005, there were 197,001,040 shares of our common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE
We have incorporated the following documents by reference.

Transitional Small Business Disclosure Format (Check one): Yes [ ] No [X]

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ON FORM 10-KSB
YEAR ENDED DECEMBER 31, 2004

Forward-Looking Statements

The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate,"

"project," or similar expressions are intended to identify "forward-looking statements." Actual results could differ materially from those projected in the forward looking statements as a result of a number of risks and uncertainties. Statements made herein are as of the date of the filing of this Form 10-KSB with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Unless otherwise required by applicable law, we do not undertake and we specifically disclaim any obligation to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

ORGANIZATIONAL HISTORY

On January 3, 2001, we were formed in the State of Florida under the name e-Kids Network, Inc. to engage in the e-commerce business of selling toys, games, merchandise, and educational products. We were formed along with 12 other commonly owned companies in accordance with the March 6, 2001 Bankruptcy Court approved Amended Plan of Reorganization of e-Miracle Network, Inc., United States Bankruptcy Court, Southern District of Florida, Miami Division on March 6, 2001 (Case No. 00-18144-BKC-AJC So. Dist. Fla.) in which the debtors and shareholders of e-Miracle Network, Inc. were issued shares of our common stock and the other 12 commonly owned companies. On October 3, 2001, we changed our name to GenoMed, Inc. We are a development stage company.

On November 9, 2001, we executed an Agreement and Plan of Share Exchange with Genomic Medicine, LLC, a Delaware Limited Liability Company formed on February 9, 2001, and its sole owner, whereby we acquired 100% of all of the issued and outstanding shares of Genomic Medicine, LLC, a Medical Genomics development stage company with no revenue or revenue generating operations. Under the terms of this agreement, we were required to make a $1,000,000 investment in Genomic Medicine, LLC during the initial 12 months from the date of the agreement in return for our immediate issuance of 12,500,000 shares of our common stock to Genomic Medicine's sole principal, Dr. David Moskowitz, which we issued on November 9, 2001. In addition, we agreed to issue an additional 37,500,000 shares of our common stock to Dr. Moskowitz. Genomic Medicine, LLC's officers and directors then became our officers and directors, and Genomic Medicine, LLC became our wholly owned subsidiary. In November 2001, in conjunction with our acquisition of Genomic Medicine, LLC, our new and current Board of Directors decided to cease doing business in the e-commerce area of selling toys, games, merchandise, and educational products. We made this decision due to the declining nature of the e-commerce business and because we adopted Genomic Medicine's business of medical genomics, which we believed held greater business potential than e-commerce.

We have not been involved in any material reclassification, merger, consolidation or sale of a significant amount of assets; however, we did acquire all of the business interests of Genomic

Medicine, LLC as described above. On September 28, 2001, we affected a 50-for-1 forward stock split. Prior to this forward split, we had 12,076,200 shares outstanding; immediately following this forward split we had 603,810,000 shares outstanding, 500,000,000 shares of which were returned to our treasury on November 8, 2001 by our former President/Chairman of the Board, David Siddons.

As of December 31, 2004, we had 195,232,824 shares outstanding. As of December 31, 2004, we had 45,500,000 options outstanding. As of March 4, 2005, we had 197,001,040 shares outstanding.

HOW YOU MAY CONTACT US

We are located at 9666 Olive Boulevard, Suite 310 in St. Louis, Missouri. Our telephone number is 314-983-9933.

BUSINESS OVERVIEW

Medical Genomics is the study of how genes function in the cause, progression and treatment of disease. We are a Medical Genomics company that intends to translate knowledge of disease genes into the development of new treatments, better use of existing therapies and creation of more accurate gene-based tests for known diseases. To date, we have developed treatment products for four diseases (diabetes, hypertension, emphysema and psoriasis) and are currently studying many more, but we have generated revenues of only $9,569. We intend to identify as many disease genes as possible which contribute to specific diseases, with a concentration on common cancers. These disease associated genes can then serve as targets for new drug development, enabling the creation of new medicines for treating human diseases and also as an early warning system to diagnose disease in patients before any symptoms occur. Accordingly, we plan to develop a comprehensive database of disease-causing genes so that we can predict with reasonable confidence what diseases a person may experience during his or her lifetime and whether a particular drug is likely to aid treatment.

OUR RESEARCH AND DEVELOPMENT APPROACH

The human genome, which contains all the genetic instructions for each human being, is vast since it contains over 3 billion letters and more than 30,000 genes. Our research and development focuses upon recording and cataloguing variations in the letters between two groups: (a) "cases," which refer to the group of specific patients that have a disease; and (b) "controls," which refer to the group of people without the disease. These variations involve changes in a single letter or base, known as a nucleotide and so are called "single nucleotide polymorphisms," otherwise known as SNPs. SNPs that appear at a much higher frequency among patients with a particular disease than among people of the same ethnic group without that disease are defined as disease-associated SNPs. How significant the association is between a disease-associated SNP and the disease can be measured statistically. We use SNPs which we believe have a high likelihood of being the cause or the functional part of the disease which we refer to as regulatory SNPs. This approach assumes that SNPs in the regulatory regions of each gene control how much protein is eventually produced from that gene. As a result, we believe that these are the best SNPs to analyze and include in our database. The higher the statistical

correlation between a particular SNP and a given disease, the more important is the gene containing that SNP for causing the disease. Genes with the highest statistical correlation with the disease make excellent drug targets for treating and/or delaying the onset of a particular disease.

During 2004 we focused solely on identifying genes for common cancers, since we believe we can already treat cardio-vascular disease effectively. Cancer-causing genes affect a large population base with ample opportunities for disease-gene related products and services. The first samples collected involved lung, prostate, colon, breast, pancreas and ovarian cancers in Caucasians.

STRATEGY

Long-term goal - Our overriding/long term goal is to translate, as rapidly and as safely as possible, the knowledge of disease genes into better patient outcomes by constructing a comprehensive list of disease-causing genes.

Mid-term goal - Our mid-term goal over the next five years is to construct a comprehensive database of disease-causing genes using our proprietary technology and processes so that physicians can predict with reasonable confidence what diseases a person may experience during their lifetime. This goal will require us to:

Establish strategic partners or alliances with pharmaceutical companies, health maintenance organizations, biotechnology companies and clinical diagnostic laboratories to complement our research and development efforts.

Through these strategic partnerships, to develop licensing or royalty revenue from: (a) the use of new drugs for common diseases; (b) the use of existing drugs for new clinical indications; and (c) gene-based diagnostic tests.

OUR SAMPLING AND COLLECTION PROCESS

We intend to sample disease populations throughout the world. We will use the data derived from our sampling to conduct comparative studies of disease-predisposition genes across ethnic groups. Some genes will be found to be common for a disease among all of the people of the world, while other genes will be private to just one or two closely related ethnic groups. Practically, our sampling and collection process will involve multiple sampling operations on multiple continents. For instance, with respect to Caucasians, sampling has been conducted in the United States. If we were to find replication of a disease gene in multiple populations in the United States, that would be strong evidence that the disease association is real for Caucasians. Similarly, the same disease is sampled across multiple ethnicities such as African, Hispanic, and Asian. A disease gene appearing in more than one ethnic group may be more important in causing the disease than a gene which appears in only one ethnic group.

GENOTYPING

Genotyping consists of two phases: screening, wherein a relatively small number of cases and controls are genotyped at a large number of SNPs, and validation, wherein a considerably larger number of cases and controls are genotyped at a small number of SNPs.

DATA ANALYSIS

Our approach requires analysis of voluminous amounts of data. Using a neural-net approach, these data can be analyzed on a single desktop computer.

OUR REVENUE MODEL

To date we have earned only $9,569 of revenues. Our revenue model is based upon licensing and/or collecting royalties from:

- Discovery of new drugs for common diseases (traditional biotechnology business model);
- Use of existing drugs for new clinical indications (Next Generation DM(TM)); and
- Gene-based diagnostic tests.

Our licensing fees will be derived from our agreements with individual patients and their physicians. We will attempt to derive licensing fees also from pharmaceutical companies, large domestic and foreign health care systems, disease management companies, and pharmacy benefit management companies.

Currently, a patient can subscribe to our Clinical Outcomes Improvement Program(TM) for $67 a month. We have seven such agreements.

MARKETING

As a Next Generation Disease Management(TM) company, we have begun marketing our treatments to our patients directly. If and when we discover additional disease associated genes, we intend to market them to pharmaceutical companies, other biotechnology companies, and diagnostic laboratories. Our marketing program will be implemented and directed by our Chairman of the Board/Chief Executive Officer, Dr. Moskowitz, who will directly contact licensing and development officers of these type companies. In addition, we intend to enter into agreements with outside marketing consultants who will actively market our products to such companies.

COMPETITION

The gene identification research and development field is extremely competitive and is characterized by rapid technological change. Our competitors have substantially greater financial, scientific, and human resource, and, as a result greater research and product development capabilities. In addition, our competitors have greater experience in marketing gene-related products. These competitive advantages provide our competitors with greater potential to develop revenue streams deriving from:

- Identification of genes;
- Establishing uses for genes;
- Patenting genes;
- Product development; and
- Commercialization of products.

Our competitors are located in the United States as well as around the world and include:

- Diagnostic companies;
- Health Care companies;
- Biotechnology companies;
- Pharmaceutical companies;
- University or university-sponsored research organizations; and
- Government-sponsored research organizations.

Examples of our competition include:

- Applera Corporation which uses high-speed gene sequencers to discover genes, and the TaqMan Assay to score genotypes.
- United States, British, French, German and Japanese government-financed and sponsored institutes, universities, and not-for-profit entities that conduct research to identify genes.
- Research pharmaceutical companies such as Novartis, Merck and Glaxo Smith Kline, which generally employ "marker" polymorphisms intended to lie physically close to the disease-causing genes, in comparison to our molecular epidemiology approach employing polymorphisms which may be functional, rather than merely markers.
- Biotechnology companies such as Genome Therapeutics, Inc. and Millennium Pharmaceuticals.

We will attempt to overcome the competitive advantages of our competitors by attempting to accomplish the following:

- Attempt to capitalize on our core findings by identifying a class of SNPs

that appear to cause most common diseases;
- Using comparatively inexpensive genotyping in which we can type a DNA sample at a single SNP for less cost than some of our competitors;
- Using strategic partnerships with biotechnology companies, pharmaceutical companies, large domestic and foreign health care organizations, disease management companies, and pharmacy benefit management companies in our attempt to create revenue streams that will be used for further research into disease-predisposition genes; and
- Hiring consultants in the area of typing genetic samples, collecting patient samples, and computer technical assistance to save costs compared with our having to hire in-house personnel for the same purposes.

GOVERNMENT REGULATION

We will attempt to partner with pharmaceutical or other companies to develop biologics or drugs that will treat common diseases. Any drug products that we or our strategic partners develop, prior to marketing in the United States, will require an extensive regulatory approval process by the Federal Drug Administration regarding the testing, manufacturing, distribution, safety, efficacy, labeling, storage, record keeping, advertising and other promotional practices of biologics or new drugs. Federal Drug Administration approval or other clearances must be obtained before clinical testing, manufacturing and marketing of biologics and drugs.

The regulatory process includes extensive pre-clinical testing and clinical trials of each applied for product which may take up to several years to complete. Generally, in order to gain Federal Drug Administration pre-market approval, a developer first must conduct laboratory studies and animal-model studies to gain preliminary information on an agent's efficacy and to identify any safety problems. The results of these studies are submitted as a part of an investigational new drug application, which the Federal Drug Administration must review before human trials of an investigational drug can start. The investigational new drug application includes a detailed description of the initial animal studies and human investigation to be undertaken.

For any investigational new drug applications, we or our strategic partner will be required to select qualified investigators to supervise the administration of the products, and ensure that the investigations are conducted and monitored in accordance with Federal Drug Administration regulations and the general investigational plan and protocols contained in the investigational new drug application. These qualified investigators are usually physicians with medical institutions. Human trials are normally done in three phases:

- Phase I trials are concerned primarily with the safety and preliminary activity of the drug and involve fewer than 100 subjects. This phase may take from six months to over a year to complete.
- Phase II exploratory trials normally involve a few hundred patients, but in some cases may involve fewer. Phase II trials are designed primarily to demonstrate effectiveness in treating or diagnosing the disease or condition for which the drug is intended, although short-term side effects and risks in people whose health is impaired may also be examined.
- Phase III confirmatory trials are expanded trials with larger numbers of patients which are intended to gather the additional information for proper dosage and labeling of the drug and demonstrate its overall safety and effectiveness.

All three phases generally take three to five years, but may take longer, to complete.

The companies from which we may purchase human blood products are responsible for registering with the Federal Drug Administration's Center for Biologics, Evaluation and Research for activities involving their collection of human

blood. Such companies must also obtain a license from the Federal Drug Administration's Center for Biologics, Evaluation and Research if they ship blood through interstate commerce. Based on our discussions with these companies, we believe that these companies have obtained the necessary registration and license to collect and deliver human blood.

PRODUCT LIABILITY

The design, development, and manufacture of drug products or diagnostic tests resulting from our gene patents involve an inherent risk of product liability claims and damage to our brand name reputation. Such claims may involve allegations of product failure or harm caused by the drug product. We currently do not maintain product liability insurance.

SOURCES AND AVAILABILITY OF RAW MATERIALS

We do not use raw materials in our business.

CUSTOMER DEPENDENCY

Our customers consist of male and female patients and health plans. Although we are not currently dependent and do not plan on being dependent upon any single customer or group of customers, there are no assurances that we will not become dependent upon a health plan customer in the future.

INTELLECTUAL PROPERTY

We currently have four non-provisional patents related to ACE as a "master" disease gene, a treatment for lung immaturity in newborns and a medical treatment for kidney failure that does not involve dialysis. We also hold additional provisional patents for cancer-associated SNPs and genes.

Our business and competitive position are dependent upon our ability to protect our proprietary technologies, processes, databases and information systems. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to obtain and use information that we regard as proprietary. We will rely on patent, trade secret and copyright law and nondisclosure and other contractual arrangements to protect such proprietary information. We will file patent applications for our proprietary methods and devices for novel patient treatments, disease-predisposition genes, discovery of biological pathways and drug screening for pharmaceutical product development.

There can be no assurance that others will not independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our proprietary information that such information will not be disclosed or that we can effectively protect our rights to unpatented trade secrets or other proprietary information.

GOVERNMENT APPROVAL REQUIREMENTS

As described above, the nature of our business requires approval of patents with the U.S. Patent and Trademark Office and of any future drugs by the Federal Drug Administration. Apart from these approvals, we are not aware of any government approval of our potential future products that are required.

RESEARCH AND DEVELOPMENT

During 2002 and 2003, we spent no funds on research and development. In 2004 we

spent $613,709 on research and development. From the period of inception to December 31, 2004, we have spent $946,973 on research and development.

COSTS ASSOCIATED WITH ENVIRONMENTAL COMPLIANCE

Our costs associated with environmental compliance are minimal since we are not involved in manufacturing the product that may be developed as a result of our genomics research and development. We pay only those costs required to safely run our house lab. Safety items include sterile supplies, latex gloves, safety glasses etc. Our overall expenses have averaged less than $1,000 each year and are accounted for in the operational expense line item in the expected expense budget.

EMPLOYEES

We have no part-time employees. As of December 31, 2004, we had 6 full-time employees, our Chairman of the Board and Chief Executive Officer, Chief Financial Officer (Robyn Owens), Chief Scientific Officer (Paula Hempen), Chief Technical Officer (Andrew O'Guin), Chief of Bioinformatics (Ali Awan) and Vice President of Marketing (Ellen Jones). Dr David Moskowitz is our CEO responsible for directing our Board of Directors, overseeing all research and development and marketing issues, and supervising all medically-related activities. Additionally, Dr. David Moskowitz is ultimately responsible for our overall administration and operation, including finance, marketing, and personnel.

ITEM 2. DESCRIPTION OF PROPERTY

In September 2004 we moved all of our operations to a 1903 square feet space located at 9666 Olive Boulevard, Suite 310, St. Louis, Missouri 63132, which we rent pursuant to a five year lease.

ITEM 3. LEGAL PROCEEDINGS

We are subject to dispute and litigation in the ordinary course of our business. None of these matters, in the opinion of our management, is material or likely to result in a material effect on us based upon information available at this time.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock is traded on the Pink Sheets under the symbol GMED. Quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. Below is the market information pertaining to the range of high and low bid information of our common stock for each quarter within the last two fiscal years:

2003	HIGH	LOW
Fourth Qtr.	$0.050	$0.026
Third Qtr	$0.035	$0.020
Second Qtr	$0.120	$0.007
First	$0.015	$0.005

2004	HIGH	LOW
Fourth Qtr.	$0.130	$0.051
Third Qtr	$0.190	$0.051
Second Qtr.	$0.370	$0.115
First Qtr.	$0.280	$0.035

No regular trading market exists for our common stock and there is no assurance that a regular trading market will develop, or if developed will be sustained. A shareholder in all likelihood, therefore, will not be able to resell their securities should he or she desire to do so when eligible for public resales. Furthermore, it is unlikely that a lending institution will accept our securities as pledged collateral for loans unless a regular trading market develops.

COMMON STOCK. We are authorized to issue 1,000,000,000 shares of common stock at $.01 par value. As of December 31, 2004, there were 195,232,824 shares of our common stock outstanding. As of March 4, 2005, there were 197,001,040 shares of common stock outstanding held of record by 636 stockholders.

Holders of our common stock are entitled to one vote per share on each matter submitted to vote at any meeting of shareholders. A majority of the shares entitled to vote constitutes a quorum at a meeting of the shareholders. If a quorum is present, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders unless otherwise provided by law. Directors shall be elected by a plurality of the votes cast by the shares entitled to vote at a meeting at which a quorum is present. Our Board of Directors has authority, without action by our shareholders, to issue all or any portion of the authorized but unissued shares of common stock, which would reduce their percentage of ownership of our common stock and which would dilute the book value of the common stock.

Our shareholders have no preemptive rights to acquire additional shares of common stock. Our common stock is not subject to redemption and carries no subscription or conversion rights. In the event of liquidation, the holders of shares of common stock are entitled to share equally in corporate assets after the satisfaction of all liabilities. Holders of common stock are entitled to receive such dividends as the Board of Directors may from time to time declare out of funds legally available for the payment of dividends. During the last two fiscal years, we have not paid cash dividends on our common stock and we do not anticipate that we will pay cash dividends in the foreseeable future.

HOLDERS

As of March 4, 2005, we had 636 holders of record of our common stock. We have one class of common stock outstanding.

PENNY STOCK CONSIDERATIONS. Our shares are "penny stocks" as that term is generally defined in the Securities Exchange Act of 1934 as equity securities with a price of less than $5.00. Our shares may be subject to rules that impose sales practice and disclosure requirements on broker-dealers who engage in certain transactions involving a penny stock.

Under the penny stock regulations, a broker-dealer selling a penny stock to anyone other than an established customer or "accredited investor" must make a special suitability determination regarding the purchaser and must receive the purchaser's written consent to the transaction prior to the sale, unless the broker-dealer is otherwise exempt. Generally, an individual with a net worth in excess of $1,000,000 or annual income exceeding $200,000 individually or $300,000 together with his or her spouse is considered an accredited investor.

In addition, under the penny stock regulations the broker-dealer is required to:

- Deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commission relating to the penny stock market, unless the broker-dealer or the transaction is otherwise exempt;
- Disclose commissions payable to the broker-dealer and its registered representatives and current bid and offer quotations for the securities;
- Send monthly statements disclosing recent price information pertaining to the penny stock held in a customer's account, the account's value and information regarding the limited market in penny stocks; and
- Make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction, prior to conducting any penny stock transaction in the customer's account.

Because of these regulations, broker-dealers may encounter difficulties in their attempt to sell shares of our stock, which may affect the ability of shareholders or other holders to sell their shares in the secondary market and have the effect of reducing the level of trading activity in the secondary market. These additional sales practice and disclosure requirements could impede the sale of our securities if our securities become publicly traded. In addition, the liquidity for our securities may be adversely affected, with a corresponding decrease in the price of our securities. Our shares may someday be subject to such penny stock rules and our shareholders will, in all likelihood, find it difficult to sell their securities.

DIVIDENDS

We have not declared any cash dividends on our common stock since our inception and do not anticipate paying such dividends in the foreseeable future. We plan to retain any future earnings for use in our business. Any decisions as to future payment of dividends will depend on our earnings and financial position and such other factors as the Board of Directors deems relevant. We are not limited in our ability to pay dividends on our securities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

We have no securities that are authorized for issuance under any equity compensation plans.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

Forward-Looking Statements.

The following discussion and analysis contains forward looking statements and should be read in conjunction with our financial statements and related notes. For purposes of this plan of operations, GenoMed, Inc. is referred to herein as "we," "us," or "our." This discussion and analysis contains forward-looking statements based on our current expectations, assumptions, estimates and projections overview. The words or phrases "believe," "expect," "may," "should," "anticipates" or similar expressions are intended to identify "forward-looking statements". Actual results could differ materially from those projected in the forward-looking statements as a result of the following risks and uncertainties, which are more fully discussed in our periodic filings which are available for review at www.sec.gov: (a) during 2004, our Plan of Operations was substantially delayed due to lack of financing; (b) if we are not awarded patents or licenses, we will never market potential products and our potential revenues will be negatively affected; (c) our business may be adversely affected by regulatory

costs which would negatively affect our potential profitability; (d) because our genomics method of gene identification is a relatively new gene identification method, the public or prospective strategic partners may not accept it as an acceptable gene identification method, which would negatively affect our operations and potential revenues; (e) our competitors may develop and respond to gene procedures and products before us due to their superior financial and technical resources and superior technologies; (f) we may be subject to medical or product liability claims that will negatively affect our potential profitability and may lead to losses; (g) because we will lack control over the outsourcing of sample collection, genotyping and data analysis, our quality control and brand name reputation may be negatively affected; (h) if we fail to recruit test patients for our clinical trials, our development of potential products will be delayed which would negatively affect our potential revenues; (i) if our strategic partners fail to obtain Federal Drug Administration approval, our costs may increase and our revenues may decrease; (j) our entire business plan is dependent upon forming strategic alliances or acquisitions or partnership alliances with others for which there are no assurances, and if we fail to do so we will never generate any revenues; (k) if we fail to abide by the terms of our acquisition agreement in which we acquired Genomic Medicine, LLC, the acquisition could be rescinded and we would have no business or ability to generate revenues; (l) if we fail to conduct adequate due diligence regarding our strategic alliances or acquisitions and partnership alliances, we will be subject to increased costs and operational difficulties; (m) our management decisions are made by our President/Chief Executive Officer/Chairman of the Board/ Chief Medical Officer, Dr. David Moskowitz and if we lose his services, our operations will be negatively impacted; (n) we have issued a substantial amount of our common stock in connection with funding that we obtained, which substantially dilutes the value of your shares; and (o) we have a substantial amount of options outstanding, which if exercised, will result in the issuance of shares of our common stock, which will substantially dilute the value of your shares.

PLAN OF OPERATIONS

We have estimated the following expenses totaling $1,703,600 over the next year:

Type Expenditures	Annual Estimated Amount
Salaries	$ 600,000
Operating Expenses	$ 200,000
Genotyping	$ 703,600
Sample Collection	$ 100,000
Marketing	$ 100,000
Total	$ 1,703,600

We intend to satisfy these estimated total expenditures through our cash as of March 15, 2005 of approximately $302,400 and revenues or a private placement of our equity Securities.

We have made significant changes during 2004 due to an increase in investments. There has been extensive advertising and marketing in general but specifically in the St. Louis area. We have added five full time staff members, three to work

on ongoing clinical research, one for marketing and one for finance. We have applied for several additional patents, which has resulted in an increased in expenses, including attorneys fees.

In the next year, we will focus on validating genotyping, as well as continuing to perform screening genotyping for the common cancers such as lung, prostate, colon, breast and pancreas. We also plan to continue processing blood samples from people with diseases of interest, purifying DNA and working on provisional patients. We will market to several possible resources including, providers, employers physicians and individuals. We intend on securing funds through revenues and private placement of equity securities in additional to the current Pierpoint Investissement agreement.

Our goal is to generate $100,000 in revenues from marketing in 2005. To accomplish this goal, we plan to market directly to the following sources:

1. Direct to Practioners- MD, DO family practice residency programs, general internists and clinically oriented medical schools such as Texas Tech University, Health Science Center and University of Kentucky-Lexington
2. Health Plans
3. Direct to Consumers-Atlanta, Chicago, Washington, DC, New York, Los Angeles
4. Indian Tribes

5. Hispanic and African American Patients
6. State Medicaid Offices-Missouri Florida Tennessee
7. Employers
8. Overseas National Health Services

If we have additional expenses that exceed our estimates and we have insufficient funds at the time or we are unable to obtain sufficient financing, then we will be unable to conduct our Plan of Operations, which may negatively impact development of our brand name and reputation. In the event that we do not obtain adequate financing we may have to liquidate our business and undertake any or all of the following actions:

- Sell or dispose of our assets, if any;
- Pay our liabilities in order of priority, if we have available cash to pay such liabilities;
- If any cash remains after we satisfy amounts due to our creditors, distribute any remaining cash to our shareholders in an amount equal to the net market value of our net assets;
- File a Certificate of Dissolution with the State of Florida to dissolve our corporation and close our business;
- Make the appropriate filings with the Securities and Exchange Commission so that we will no longer be required to file periodic and other required reports with the Securities and Exchange Commission, if, in fact, we are a reporting company at that time; and
- Make the appropriate filings with the National Association of Security Dealers to affect a delisting of our common stock, if, in fact, our common stock is trading on the OTC Bulletin Board at that time.

Based upon our current assets, however, we will not have the ability to distribute any cash to our shareholders. If we have any liabilities that we are unable to satisfy and we qualify for protection under the U.S. Bankruptcy Code, we may voluntarily file for reorganization under Chapter 11 or liquidation under Chapter 7. Our creditors may also file a Chapter 7 or Chapter 11 bankruptcy action against us. If our creditors or we file for Chapter 7 or Chapter 11 bankruptcy, our creditors will take priority over our shareholders. If we fail to file for bankruptcy under Chapter 7 or Chapter 11 and we have creditors, such creditors may institute proceedings against us seeking forfeiture of our assets,

if any.

We do not know and cannot determine which, if any, of these actions we will be forced to take.

If any of these foregoing events occur, you could lose your entire investment in our shares.

Liquidity and Capital Resources

Cash at December 31, 2004 amounted to $522,371. We have experienced significant losses from our operations. For the period ended December 31, 2004, we incurred a net loss of $4,271.293. For the period from our inception at January 3, 2001 to December 31, 2004, we incurred a net loss of $7,668,722.

ITEM 7. FINANCIAL STATEMENTS

GenoMed, Inc.
(A Development Stage Company)
Consolidated Financial Statements
December 31, 2004

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders and Board of Directors
GenoMed, Inc.

We have audited the accompanying consolidated balance sheet of GenoMed, Inc. (A Development Stage Company) as of December 31, 2003 and the related consolidated statements of operations, stockholders' (deficit) and cash flows for the year ended December 31, 2003, and the period from inception (January 3, 2001) to December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these

financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GenoMed, Inc. (A Development Stage Company) as of December 31, 2003, and results of its operations and its cash flows for the year ended December 31, 2003, and the period from inception (January 3, 2001) to December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

Stark Winter Schenkein & Co., LLP
Denver, Colorado

April 5, 2004

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Stockholders and Board of Directors
GenoMed, Inc.

We have audited the accompanying consolidated balance sheet of GenoMed, Inc. and subsidiary (A Development Stage Company) as of December 31, 2004, and the related consolidated statements of operations, stockholders' equity and cash flows for the year ended December 31, 2004 and the period from inception (January 3, 2001) to December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of GenoMed, Inc. and subsidiary for the year ended December 31, 2003 and for the period from inception (January 3, 2001) to December 31, 2003, were audited by other auditors whose report thereon, dated April 5, 2004, expressed an unqualified opinion. Our opinion, insofar as it relates to the amounts included from the period from inception (January 3, 2001) to December 31, 2003, is based solely on the report of such other auditors.

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

In our opinion, based on our audit and report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of GenoMed, Inc. and subsidiary (A Development Stage Company) as of December 31, 2004, and results of their operations and their cash flows for the year ended December 31, 2004, and the

results of their operations and their cash flows for the period from inception (January 3, 2001) to December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has no guaranteed financing to fund future operations and has suffered recurring losses from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Rubin, Brown, Gornstein & Co., LLP

St. Louis, Missouri
March 30, 2005

GenoMed, Inc.
(A Development Stage Company)
Consolidated Balance Sheet
December 31, 2004

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$522
Receivables, net of allowance of $27,500	94
Inventory	10
Other current assets	2
Total current assets	629
PROPERTY AND EQUIPMENT, NET	149
	$778
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES:	
Accounts payable	$ 43
Accrued expenses	361
Due to officer	48
Total current liabilities	453
STOCKHOLDERS' EQUITY:	
Common stock, $.001 par value, 1,000,000,000 shares authorized, 195,232,824 shares issued and outstanding	195
Additional paid in capital	7,758
Subscribed shares	40
Deficit accumulated during the development stage	(7,668,
Total stockholders' equity	325

	$778

GenoMed, Inc.

(A Development Stage Company)
Consolidated Statements of Operations
The Years Ended December 31, 2004 and 2003
and the Period From Inception (January 3, 2001) to December 31, 2004

	Year Ended December 31, 2004	Year En December 2003
Revenue	$3,186	
Operating expenses:		
Research and development	613,709	
Selling, general and administrative expenses	3,666,176	1,
Impairment of web site	-	
	$4,279,885	1,
Loss from operations	(4,276,699)	(1,2
Other (income) and expenses:		
Interest income	(5,469)	
Interest expense	63	
	(5,406)	
Net loss	$(4,271,293)	$(1,2
Per share information - basic and diluted:		
Weighted average shares outstanding - basic	184,110,710	122,
Weighted average shares outstanding - diluted	184,110,710	122,
Net income (loss) per share - basic	$(0.02)	

Net income (loss) per share - diluted	$(0.02)

GenoMed, Inc.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity
For the Period From Inception (January 3, 2001) to December 31, 2004

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Subscribed Common Shares
Common shares issued for cash at $.00002 per share during January 2001	500,000,000	$ 10,000	$ -	$ -
Common shares issued for services at $.00002 per share during March 2001	103,810,000	2,076	-	-
Contribution to capital	-	-	500	
Return of common shares in November 2001	(500,000,000)	-	-	-
Common shares issued for the acquisition of subsidiary at $.005 per share during November 2001	12,500,000	12,500	50,000	-
Unissued common shares related to the acquisition of subsidiary at $.005 per share during November 2001	-	-	-	187,500
Stock compensation for unissued shares earned by consultant	-	-	-	40,000
Reclassification of paid in capital to adjust par value of common shares	-	50,000	(50,500)	-
Net (loss) for the period	-	-	-	-
Balance at December 31, 2001 (Restated)	116,310,000	75,076	-	227,500
Stock options issued to settle employment contract	-	-	144,000	-
Stock options issued for services	-	-	351,000	-
Issuance of shares subscribed for	4,000,000	4.000	236,000	(40,000
Contribution of value of unissued shares related to acquisition	-	-	187,500	(187,500
Reclassification of amount due to shareholder	-	-	(46,023)	-
Reclassification of paid				

in capital	-	41,234	(41,234)	-
Stock compensation for unissued shares earned by advisory board	-	-	-	3,000
Unissued shares due pursuant to private placement for cash at $.013 per share	-	-	-	10,000
Net (loss) for the year	-	-	-	-
Balance at December 31, 2002	120,310,000	120,310	831,243	13,000
Stock compensation for unissued shares earned by advisory board	-	-	-	12,000
Issuance of subscribed shares	769,231	769	9,231	(10,000
Value of variable price stock options	-	-	912,000	-
Common shares issued for cash at $.01 per share	187,500	188	1,312	-
Common shares issued for cash at $.015 per share	1,666,667	1,667	23,333	-
Common shares issued for cash at $.02 per share	2,364,962	2,365	42,635	-
Discount on shares issued to affiliate	-	-	11,950	-
Common shares issued as commission	116,667	116	(116)	-
Common shares issued for services at $.02 per share	91,000	91	1,729	-
Common shares issued for services at $.03 per share	185,000	185	5,365	-
Net (loss) for the year	-	-	-	-
Balance at December 31, 2003	125,691,027	125,691	1,838,682	15,000
Stock compensation for unissued shares earned by advisory board	-	-	-	34,500
Issuance of subscribed shares	1,077,778	1,078	8,422	(9,500
Value of variable price stock options	-	-	600,000	-
Discount on shares issued to affiliate	-	-	2,222,757	-
Common shares issued to satisfy payable to affiliate	12,737,995	12,738	321,000	-
Forgiveness of debt to affiliate as a capital contribution	-	-	1,000,000	-
Common shares issued for cash at $.01 per share	200,000	200	1,800	-
Common shares issued for cash at $.02 per share	4,703,669	4,704	95,296	-
Common shares issued for cash at $.03 per share	33,464,230	33,464	879,287	-
Common shares issued for cash at $.045 per share	6,787,785	6,788	298,662	-
Common shares issued for cash at $.05 per share	1,254,668	1,255	62,207	-
Common shares issued for cash at $.06 per share	6,012,658	6,012	373,987	-
Common shares issued for services at $.02 per share	3,148,014	3,148	45,759	-
Common shares issued for services at $.05 per share	45,000	45	1,980	-

Common shares issued for services at $.07 per share	100,000	100	6,900	-
Common shares issued for services at $.20 per share	10,000	10	1,990	-
Net loss for the year	-	-	-	-
Balance at December 31, 2004	195,232,824	$195,233	$7,758,729	$ 40,000

GenoMed, Inc.
(A Development Stage Company)
Consolidated Statements of Cash Flows
The Years Ended December 31, 2004 and 2003
and the Period From Inception (January 3, 2001) to December 31, 2004

	Year Ended December 31, 2004	Y De
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(4,271,293)	(1
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	30,652	
Common stock issued for services and other non cash items	644,795	
Discount on shares issued	2,222,757	
Impairment of web site	-	
Provision for bad debt	27,500	
Change in assets and liabilities:		
Increase in accounts receivable	(121,805)	
Increase in inventory	(10,530)	
Increase in other current assets	(2,220)	
Increase (decrease) in accounts payable	(4,152)	
Increase in accrued expenses	361,378	
Increase in accounts payable and accrued expenses - affiliates	31,538	
Decrease in due to officer	(48,907)	
NET CASH USED IN OPERATING ACTIVITIES	(1,140,287)	
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(35,642)	
Investment in intangible asset - web site	-	

NET CASH USED IN INVESTING ACTIVITIES	(35,642)
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase (decrease) in note payable - affiliates	(77,581)
Contribution to capital	-
Proceeds from stock issurance	1,764,412
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,686,831
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	510,902
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	11,469
CASH AND CASH EQUIVALENTS - END OF YEAR	522,371

Supplemental cash flow information:	
Cash paid for Interest	$ -
Cash paid for income taxes	$ -
Non-cash investing and financing activities:	
Contribution of value of unissued shares to capital	$ -
Return of common shares for no consideration	$ -

GenoMed, Inc.
(A Development Stage Company)
Notes to Consolidated Financial Statements
December 31, 2004

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Company was incorporated on January 3, 2001 in the State of Florida as e-Kids Network. The Company was formed along with 12 other commonly owned companies in accordance with the March 6, 2001 Bankruptcy Court approved Amended Plan of Reorganization of e-Miracle Network, Inc., United States Bankruptcy Court, Southern District of Florida, Miami Division on March 6, 2001 (Case No. 00-18144-BKC-AJC So. Dist. Fla.) in which the debtors and shareholders of e-Miracle Network, Inc. were issued shares of the Company's common stock and the other 12 commonly owned companies. The Company had no revenue generating operations and incurred only general and administrative expenses associated with the development of a business plan. During October 2001 the Company changed its name to GenoMed, Inc. GenoMed, Inc. is a development stage company, as defined in Statement of Financial Accounting Standards ("SFAS") 7, "Accounting and Reporting by Development Stage Enterprises". The Company's intent is to conduct business as a biotechnology company. Prior to its decision to conduct business in the biotechnology industry the Company had no defined business activities.

The Company has chosen December 31 as its year-end and had no significant revenue generating activity from inception to December 31, 2004. For the year ended December 31, 2004, revenues were minimal and the Company had a net loss of $4,271,293 and, from January 3, 2001 (inception) to December 31, 2004, had generated a net loss of $7,668.722. The accompanying financial statements for the year ended December 31, 2004, have been prepared assuming the Company will continue as a going concern. During the year 2005, management intends to raise additional equity financing to fund future operations and provide additional working capital. However, there is no assurance that such financing will be consummated or obtained in sufficient amount necessary to meet the Company's needs.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany accounts and balances have been eliminated in consolidation.

Reclassifications

Certain items previously reported in the prior year have been reclassified to conform to current year presentation.

Revenue Recognition

The Company will recognize revenue from licensing and royalties. Revenues from licensing agreements will be recognized over the term of the license agreements. Revenues from royalties will be recognized when earned pursuant to the terms of the royalty agreements.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of December 31, 2004. The respective carrying value of certain on-balance-sheet financial instruments approximated their fair values. These financial instruments include cash, accounts payable, accrued expenses and notes payable. Fair values were assumed to approximate carrying values for these financial instruments because they are short term in nature.

Net Income (Loss) Per Common Share

The Company calculates net income (loss) per share as required by SFAS 128, "Earnings per Share." Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares and dilutive common stock equivalents outstanding.

In 2004 and 2003, the Company excluded 41,730,475 and 31,512,455 weighted average common share equivalents, respectively, related to stock options because their effect would have been anti-dilutive.

Use of Estimates

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

Segment Information

The Company follows SFAS 131, "Disclosures about Segments of an Enterprise and Related Information." Certain information is disclosed, per SFAS 131, based on the way management organizes financial information for making operating decisions and assessing performance. The Company currently operates in a single segment and will evaluate additional segment disclosure requirements as it expands its operations.

Income Taxes

The Company follows SFAS 109, "Accounting for Income Taxes", for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference

between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change.

Research and Development Costs

Research and development costs are charged to expense as incurred.

Stock-Based Compensation

SFAS 123, "Accounting for Stock-Based Compensation", encourages, but does not require, companies to record compensation cost for stock-based employee compensation plans at fair value. The Company has elected to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees" ("APB 25"). The Company accounts for equity instruments issued to employees for services based on the fair value of the equity instruments issued and accounts for equity instruments issued to other than employees based on the fair value of the consideration received or the fair value of the equity instruments, whichever is more reliably measurable.

SFAS 123 requires the Company to provide proforma information regarding net income and earnings per share as if compensation cost for the Company's stock option plans had been determined in accordance with the fair value based method prescribed in SFAS 123. The fair value of the option grants is estimated on the date of grant utilizing the Black-Scholes option pricing model.

Under the provisions of SFAS 123, the Company's net income (loss) and earnings (loss) per share would have been reduced (increased) to the proforma amounts indicated below:

	2004	2003
Net loss, as reported	$(4,271,293)	$(1,299,347)
Add: Stock-based employee compensation expense included in reported net loss	600,000	912,000
Deduct: Total stock-based employee compensation expense determined under fair value based methods for all awards	600,000	(924,000)
Proforma net loss	$(4,721,293)	$(1,311,347)
Loss per share:		
Basic and diluted - as reported	$(0.02)	$(0.01)
Basic and diluted - Proforma	$(0.02)	$(0.00)

Property, Equipment and Depreciation

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over the useful lives ranging from 5 to 7 years.

Recent Pronouncements

In December 2004, the FASB issued SFAS 123(R), "Accounting for Stock-Based Compensation" ("SFAS 123R"). SFAS 123R establishes standards for accounting for transactions in which an entity exchanges its equity instruments for goods or services. SFAS 123R focuses primarily on accounting for transactions in which an entity obtains employee services in exchange for share-based payments. SFAS 123R requires that the fair value of such equity instruments be recognized as expense in the historical financial statements as services are performed. Prior to SFAS 123R, only certain pro forma disclosures of fair value were required. SFAS 123R is effective beginning January 1, 2006. The adoption of this new accounting pronouncement may have a material impact on the Company's financial statements.

In December 2003, the FASB issued FASB Interpretation 46 (revised December 2003), "Consolidation of Variable Interest Entities" ("VIE") ("FIN" 46R), which addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity. FIN 46R replaces FASB Interpretation 46, "Consolidation of Variable Interest Entities", which was issued in January 2003. The Company is required to apply FIN 46R to variable interests beginning December 31, 2004. For any VIEs that must be consolidated under FIN 46R that were created before January 1, 2004, the assets, liabilities and noncontrolling interests of the VIE initially would be measured at their carrying amounts with any difference between the net amount added to the balance sheet and any previously recognized interest being recognized as the cumulative effect of an accounting change. If determining the carrying amounts is not practicable, fair value at the date FIN 46R first applies may be used to measure the assets, liabilities and noncontrolling interest of the VIE. The Company does not have any variable interest entities, and therefore experienced no impact on the adoption of FIN 46R.

In May 2003, the FASB issued SFAS 150, "Accounting for Certain Financial

Instruments with Characteristics of both Liabilities and Equity" ("SFAS 150"). SFAS 150 changes the accounting guidance for certain financial instruments that, under previous guidance, could be classified as equity or "mezzanine" equity by now requiring those instruments to be classified as liabilities (or assets in some circumstances) on the balance sheet. Further, SFAS 150 requires disclosure regarding the terms of those instruments and settlement alternatives. SFAS 150 is generally effective for all financial instruments entered into or modified after May 31, 2003, and is otherwise effective at the beginning of the first interim period beginning after June 15, 2003. The adoption of SFAS 150 in the first quarter of fiscal 2004 has not had a material impact on the Company's financial position, results of operations or cash flows.

In April 2003, the FASB issued SFAS 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" ("SFAS 149"), which amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS 133. The Statement is effective (with certain exceptions) for contracts entered into or modified after June 30, 2003. The Company does not own any

derivative instruments or participate in any hedging activities, and therefore experienced no impact of the adoption of SFAS 149.

Note 2. ACQUISITION

During November 2001 the Company acquired all of the issued and outstanding shares of Genomic Medicine, LLC ("LLC"), a development stage company involved in research and development, with no revenue generating operations, from its current president (See Note 6). The business combination has been accounted for as a purchase. The results of operations of LLC have been included in the accompanying financial statements since the date of acquisition. In exchange for the membership interest of LLC the Company issued 12,500,000 shares of its common stock valued at $62,500 and agreed to issue an additional 37,500,000 shares of its common stock during May and November 2002 valued at $187,500. The purchase price was allocated as follows:

Cash	$ 6,529
Other current assets	1,212
Current liabilities	(88,929)
Purchased research and development	331,188
	$ 250,000

The assets acquired and liabilities assumed were recorded at the historical basis of LLC. The excess of the purchase price paid over the value of the assets acquired of $331,188 has been recorded as purchased research and development, for which feasibility had not been established and there were no alternative future uses, and has been charged to operations.

The agreement was amended in March 2002 to reduce the purchase price to require the issuance of 12,500,000 shares of common stock and the payment of $46,023 to affect the acquisition (see Note 6). The reduction of the purchase price has been recorded as a capital contribution at the date of the amendment.

In addition, pursuant to the terms of the agreement the Company was required to provide working capital aggregating $1,000,000 to LLC. The Company has arranged for loans to provide this working capital (see Note 4).

Note 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Furniture and equipment	$ 225,172
Computer equipment	12,724
Less: accumulated depreciation	88,628
	$ 149,268

Depreciation expense charged to operations was $30,652 in 2004 and $28,893 in 2003.

Note 4. NOTE PAYABLE - AFFILIATE

At December 31, 2003, the Company had an outstanding note aggregating $1,000,000, which had been advanced by an affiliated entity by virtue of stock ownership in the Company. During March 2004 the holder contributed the $1,000,000 principal balance of the note to the capital of the Company and converted the unpaid interest into common shares (see Note 5).

Note 5. STOCKHOLDERS' EQUITY

Common Stock

At inception, the Company issued 500,000,000 shares of its common stock to its president for cash aggregating $10,000.

During the periods covered by these financial statements the Company issued shares of common stock for cash and non cash consideration, without registration under the Securities Act of 1933. Although the Company believes that the sales did not involve a public offering of its securities and that the Company did comply with the "safe harbor" exemptions from registration, it could be liable for rescission of the cash sales and other penalties if such exemptions were found not to apply and this could have a material negative impact on the Company. To date the Company is unaware of any violations.

During March 2001 the Company issued 103,810,000 shares of its common stock in exchange for services valued at $2,076. This amount has been charged to operations during 2001.

During September 2001 the Company affected a 50 for 1 forward stock split. All share and per share amounts have been adjusted to reflect this split.

During November 2001 the Company's president returned 500,000,000 shares of common stock to the Company for no consideration.

During November 2001 the Company issued 12,500,000 shares of common stock valued at $62,500 and agreed to issue 37,500,000 shares of common stock valued at $187,500 in exchange for the membership interest of LLC (see Notes 2 and 6).

Pursuant to the terms of a consulting contract the Company recorded a stock subscription of $40,000 (see Note 6) at December 31, 2001.

During December 2002 the Company agreed to issue 769,231 shares of its common stock pursuant to a private placement for cash received aggregating $10,000. These shares were issued in March 2003.

During 2003, 1,064,962 shares of common stock were issued to the affiliate. These shares have been issued at a discount to the fair market value of the shares of $11,950, which has been charged to operations during the year.

During 2003, the Company issued 392,667 shares of common stock for services and commissions. The fair market value of the shares issued for services of $7,370 has been charged to operations during the year.

During 2003, the Company issued an aggregate of 4,219,129 shares of common stock for cash totaling $71,500.

During 2004, the Company issued an aggregate of 10,716,327 shares of common stock to an affiliate who held the note described in Note 4 for cash aggregating $480,000. In addition, the Company issued 12,737,995 shares of common stock to this affiliate related to the conversion of $333,738 in debt. The discount on these shares of $2,222,757 had been charged to operations during the period. In addition, the affiliate forgave the balance of $1,000,000 due on the note payable described in Note 4, which has been recorded as a contribution to capital.

During the year ended December 31, 2004, the Company issued 6,981,000 shares of common stock to Pierpoint Investissements SA ("Pierpoint") and its designees for $333,950, respectively, in cash. These shares were sold at a discount from the trading price of common stock. Under the Company's agreement with Pierpoint, Pierpoint is entitled to 5,000,000 warrants to purchase our common stock with a strike price fixed at the 30-day average immediately prior to the exercise of the warrants less a discount of 50% with a two-year expiration date from issue. As of December 31, 2004 the warrants to Pierpoint had been earned but not issued.

Stock-based Compensation

During the year ended December 31, 2003 the Company issued options to purchase shares of common stock to two officers and certain other employees and consultants. Compensation costs related to these options charged to operations aggregated was $600,000 during 2004 and $912,000 during 2003 (see Note 6). No options to purchase shares of common stock were issued during 2004.

A summary of stock option activity is as follows:

	Number of Shares	Weighted average exercise price	Weighted average fair value
Balance at December 31, 2001	--	$--	$--
Granted	47,278,100	.003	.040
Exercised	--	--	--
Forfeited	--	--	--
Balance at December 31, 2002	47,278,100	.003	.040
Granted	956,731	.050	.010
Exercised	--	--	--
Forfeited	--	--	--
Balance at December 31, 2003	48,234,831	.004	.040
Granted	--	--	--
Exercised	(1,969,231)	(.024)	(0.146)
Forfeited	(765,600)	(.027)	(.017)
Balance at December 31, 2004	45,500,000	$0.011	$0.011

The following table summarizes information about stock options at December 31, 2004:

Outstanding				Exerciseable	
Exercise Price	Weighted Average Number Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price	Number Exercisable	Exerci Price
$0.002	6,000,000	7.75 years	$0.002	6,000,000	$0.00
$0.006	2,000,000	0.17 years	$0.006	2,000,000	$0.00
$0.010	37,500,000	7.5 years	$0.010	37,500,000	$0.01
	45,500,000			45,500,000	

Note 6. COMMITMENTS

During August 2001 the Company entered into a five-year employment contract with an officer. The contract calls for annual salary payments of $135,000 per year.

During November 2001 the Company entered into a one year consulting agreement with Research Capital, which is automatically renewable for one year if not cancelled by either party. Pursuant to the agreement the consultant agreed to provide financial and public relations services to the Company and to provide $1,000,000 in working capital (see Notes 2 and 4). In addition, the consultant agreed to assist the Company in raising $5,000,000 through a private placement. As consideration for the services the consultant agreed to accept $20,000 per month payable in common shares of the Company. During February 2002 the consultant agreed to accept 4,000,000 shares of the company's common stock as payment in full for the consulting services. The shares issued were valued at their fair market value of $.06 per share. This agreement was not renewed. During October 2003 the Company granted this entity the right to purchase $500,000 in common stock through October 1, 2004 at a 40% discount from market price. During November and December 2003 this entity purchased an aggregate of 1,064,962 common shares for $20,000. During January and March 2004 Research Capital purchased an aggregate of 10,716,327 shares of common stock for cash aggregating $480,000. Research Capital also forgave $1,000,000 of the note payable described in Note 4 and contributed the balance to the capital of the Company as a result of the funding described above. In addition, $153,081 in accrued interest and $180,657 in other advances were converted into 12,737,995 shares of common stock.

During 2004 and 2003 the Company charged an aggregate of $34,500 and $12,000 to operations pursuant to agreements to issue shares of common stock at various dates in accordance with the terms of advisory board contracts. As of December 31, 2004, 225,000 shares had been earned and had not been issued. The shares have been valued at the trading price of the stock as of the measurement date. The above amount has been included as subscribed common shares. Through December 31, 2004, an aggregate of 975,000 shares with a value of $78,750 have been earned pursuant to the advisory board contracts.

During March 2002 the Company granted an officer options to purchase 37,500,000 shares of common stock at an exercise price of 20% of the fair market value of the common stock on the exercise date. The options may be exercised after May 6, 2002 for a period of 10 years as to 12,500,000 options and after November 6, 2002 for a period of 10 years as to 25,000,000 options. During 2004 and 2003 the Company charged an aggregate of $600,000 and $912,000 to operations related to these options.

In addition, this officer is entitled to receive a performance option to purchase up to 100,000,000 common shares for a period of 10 years at an exercise price of 20% of the fair market value of the common stock on the exercise date. The performance options will only be granted to the officer upon the occurrence of future specified events. The discount from the fair market value of the common stock related to the performance options will be charged to operations at such time as they are earned.

On September 5, 2003, the Company entered into an agreement with PhenoMed, Sdn BHd (a development stage company with no significant assets, liabilities or operations), doing business as PhenoMed, a Malaysian corporation. This agreement provides that:

- PhenoMed will have the exclusive rights to offer the Company's genomic medical technologies and disease management therapeutics to customers in the Asia Pacific region;
- The Company will license to PhenoMed all necessary technology, know how, and processes required for PhenoMed to implement the Company's disease management program throughout the region;
- The Company and PhenoMed agree to share equally (50-50) in the net profits obtained from the licensing and sale of the disease management services and related services sold anywhere throughout the Asia - Pacific region;
- Genotyping services provided by the Company to PhenoMed will be priced at $0.50 per genotype;
- Any of PhenoMed third party genotyping contracts will abide by the contracted royalty payment and transfer terms the Company has made with any of our genotyping subcontractors;
- PhenoMed will grant the Company 15% of the common equity in PhenoMed.

In May 2004, the Company signed an agreement with Genome Quebec to begin a large-scale genotyping project to find genes which the Company believes may cause common cancers. Genome Quebec will perform the genotyping and provide the Company with data about the genes it analyzes. The cost of this project to the Company will be approximately $1,000,000. During the year ended December 31, 2004, the Company incurred $595,983 related to this project. These costs are included in research and development on the statement of operations.

In July 2004, the Company signed a five-year lease for 1,903 square feet of new office space in St. Louis, Missouri at an initial annual rental rate of $26,642, escalating to $32,351 in year five. Total rent paid in 2004 amounted to $10,604.

We are subject to dispute and litigation in the ordinary course of business. None of these matters, in the opinion of management, is material or likely to result in a material effect on the Company based upon information available at this time.

Note 7. INCOME TAXES

The Company accounts for income taxes under SFAS 109, which requires use of the liability method. SFAS 109 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and

liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences. Deferred tax assets and liabilities at the end of each period are determined using the currently enacted tax rates applied to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized.

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences are as follows:

Income tax provision at the federal statutory rate	34%
Deferred tax asset valuation allowance	(34)%
	-

As of December 31, 2004, the Company has a net operating loss carryforward of approximately $3,500,000. This loss will be available to offset future taxable income. If not used, the carryforward will begin to expire in 2021. The deferred tax asset relating to the operating loss carryforward of approximately $1,200,000 has been fully reserved at December 31, 2004. This carryforward may be limited as to use in any particular year based on Internal Revenue Code sections related to change of ownership restrictions.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On July 19, 2004, we dismissed, with the approval of our board of directors, Stark Winter Schenkein & Co., LLP ("SWS") as our independent auditor. During our two most recent fiscal years (the year ended 2003 and the period from January 1, 2004 to the date we dismissed SWS), SWS did not issue an adverse opinion, disclaimer of opinion or modification or qualification of opinion of our financial statements, except that the financial statements for the period ended December 31, 2001, and the year ended December 31, 2002 contained going concern qualifications. There has been no disagreement with SWS on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of SWS, would have caused it to make reference to the subject matter of the disagreement in connection with its report.

ITEM 8A. CONTROLS AND PROCEDURES.

There were no changes in our internal control over financial reporting during the year ended December 31, 2004 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Our Chief Executive Officer and Chief Financial Officer do not have accounting or finance backgrounds or formal training in accounting, finance or financial reporting. We can give no assurance that our procedures for monitoring disclosure controls and procedures or internal control over financial reporting are adequate.

Our lack of experience in accounting, finance and financial reporting represents a material weakness in our disclosure controls and procedures.

ITEM 8B. OTHER INFORMATION.

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

DIRECTORS AND EXECUTIVE OFFICERS

Our Board of Directors elects our executive officers annually. A majority vote of the directors who are in office is required to fill vacancies. Each director shall be elected for the term of one year, and until his successor is elected and qualified, or until his earlier resignation or removal. Our bylaws provide that we have at least one director. Our directors and executive officers are as follows:

The names and ages of our executive officers and directors as of December 31, 2004:

Name	Age	Position	Current term to
David W. Moskowitz	53	Director, Chief Executive Officer and Chairman of the Board	February 2005
Richard A. Kranitz	64	Secretary and Director	February 2005
Robyn Owens	45	Chief Financial Officer	
Paula Hempen	33	Chief Scientific Officer	
Ali Awan	22	Chief Bioinformatics	

Directors serve for a one year term. Our Bylaws state: the number of directors of the corporation shall be not less than one (1) nor more than fifteen (15), the number of the same to be fixed by the Board of Directors at any annual or special meeting. Each director shall hold office until the next annual meeting of stockholders and until such director's successor shall have been duly elected and shall have qualified, unless such director dies sooner, resigns or is removed by the stockholders at any annual or special meeting. The annual meeting of the stockholders is expected to occur in May or June of 2005.

DR. DAVID W. MOSKOWITZ. Dr. Moskowitz has been our Chairman of the Board and Chief Medical Officer since our inception in November 2001. Since October 22, 2002, Dr. Moskowitz has been our Chairman of the Board and Chief Executive Officer. From February 2001 to October 2001, Dr. Moskowitz was the President and Chief Executive Officer of Monopath, LLC, a medical genomics company registered as a limited liability company in Delaware. From February 1998 to January 2001, Dr. Moskowitz was the founder and President of DzGenes, LLC, a Biotechnology company located in St. Louis, Missouri. From January 1990 to June 1998, Dr. Moskowitz was an Assistant Professor with the Department of Pharmacological and Physiological Science, St. Louis University School of Medicine, located in St. Louis, Missouri. From July 1987 to June 1998, Dr. Moskowitz was an Assistant Professor with the Nephrology Division of the Department of Internal Medicine at the St. Louis University School of Medicine located in St. Louis, Missouri. In

1974, Dr. Moskowitz graduated Summa Cum Laude from Harvard College with a degree in Chemistry. In 1976, Dr. Moskowitz graduated with First Class Honours from Merton College, Oxford University with an Honours B.A. degree in Biochemistry. In 1983, he took his M.A. from Oxford University. In 1980, Dr. Moskowitz received an MD degree from Harvard Medical School-MIT Division in Health Sciences and Technology where he graduated Cum Laude.

RICHARD A. KRANITZ. Mr. Kranitz has been our Corporate Secretary and one of our Directors since December 2, 2001. Since 1970, Mr. Kranitz has been an attorney in private practice with concentration in the areas of securities, banking and business law. In 1969, Mr. Kranitz graduated from the University of Wisconsin Law School with a Juris Doctor Degree. In 1966, Mr. Kranitz graduated from the University of Wisconsin with a BS degree in Political Science. Since 1990, Mr. Kranitz has been a Director of Grafton State Bank, a subsidiary of Merchants & Manufacturers Bancorporation (symbol: MMBI). Since January 1990, Mr. Kranitz has been a

Director of Harp & Eagle, Ltd. (symbol: HARP). Since March 2000, Mr. Kranitz has been a Director of Mentor Capital Consultants, Inc., (symbol MCAP).

ROBYN OWENS. Ms. Owens has over twenty years' experience in the health care industry, she has worked on both the payor and the providers side. Her experience includes claims customer service and educating new providers in managed care. She negotiated physician and hospital contracts for Group Health Plan, a large HMO in St. Louis. She educated providers about documentation requirements to increase revenue as a Reimbursement Specialist for Spectrum, the administrator for OCHAMPUS. OCHAMPUS is the healthcare system for tens of millions of military dependents worldwide. Most recently, she negotiated managed care contracts for a network of physical therapy providers, including SSM Healthcare. She is a member of Group Health Association of America, Medical Group Managers Association, and National Association of Female Executives.

PAULA HEMPEN. Dr. Hempen has extensive research experience in cancer genetics, the regulation of gene transcription, immunology, and genomics. Dr. Hempen spent the last three years in the laboratory of Dr. Scott Kern at the Sydney Kimmel Comprehensive Cancer Center at Johns Hopkins University in Baltimore, Maryland. Dr. Hempen's research at Hopkins led to the discovery of two new tumor suppressor genes in pancreatic cancer. Her findings have recently been published.

ALI AWAN. Mr. Awan is a graduate of Stanford University. After completing his Bachelor's degree (majoring in Biological Sciences, minoring in Computer Science) with distinction, his interest in the interface between biology and computer science led him to a Master's degree in Bioinformatics, also at Stanford. Ali has programmed bioinformatics projects in Perl and Java for data mining and pattern discovery. His work has also involved extensive application of internet technology including HTML, CSS, CGI, XML, and SQL for database development and maintenance. On the purely biological side, his projects have included carrying out genetic screens on C. elegans to isolate innate immunity mutations, and implementing species specific primers to distinguish rat transcipts from mouse transcripts in rat-mouse heterokaryons.

SIGNIFICANT EMPLOYEES

Other than those listed above, we have no other significant employees:

FAMILY RELATIONSHIPS

There are no family relationships among our officers and directors.

LEGAL PROCEEDINGS

There have been no legal proceedings to disclose.

Section 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the our executive officers, directors and persons who beneficially own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are

required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by such persons.

Based solely on our review of such forms furnished to us and representations from certain reporting persons, we believe that all filing requirements applicable to our executive officers, directors and more than 10% stockholders were complied with during the most recent fiscal year, ended December 31, 2004.

CODE OF ETHICS

We do not currently have a code of ethics in place, however, we are in the process of developing such a code. The code of ethics will be completed and posted to our website within sixty days.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth summary information concerning the compensation received for services rendered to it during the current year and the years ended December 31, 2001, 2002, 2003, respectively, by our only executive officer who received aggregate compensation during our last fiscal year which exceeded, or would exceed on an annualized basis, $100,000.

SUMMARY COMPENSATION TABLE

					Long Term Compensation		
		Annual Compensation			Awards		
Name and Principle Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Award(s) ($)	Securities Underlying Options/ SARS (#)	LTIP Payou ($
David Moskowitz Chairman of the Board	2002	$135,000	0	0	0	See footnote*	
	2003	$135,000					
	2004	$135,000	0	0	0	0	
Jerry White Prior President / CEO	2002	$75,521 See footnote**	0	0	0	6,000,000 options - see footnote**	

* On March 18, 2002, we entered into an agreement with our Chairman of the Board, Dr. David Moskowitz, in which we granted officer options to Dr. Moskowitz to purchase 37,500,000 shares of our common stock at an exercise price of 20% of the fair market value of the common stock on the exercise date. The options may be exercised after May 6, 2002 for a period of ten years as to 12,500,000 options and after November 6, 2002 for a period of ten years as to 25,000,000

options. In addition, Dr. Moskowitz was granted a performance option to purchase up to 100,000,000 common shares for a period of ten years at an exercise price of 20% of the fair market value of the common stock on the exercise date. The performance options will only be granted to Dr. Moskowitz based upon the occurrence of any of the following "Triggering Events:"

- Gross Profit Triggering Event - Dr. Moskowitz will be entitled to receive one option to purchase one share of our common stock for every one cent of gross profit we produce, up to a maximum of 100,000,000 shares of our common stock; or
- Exchange Triggering Event - Dr. Moskowitz will be entitled to receive an option to purchase up to 100,000,000 shares of our common stock if we become listed and quoted on the NASDAQ Small Cap or the NASDAQ National Market Systems Exchange; or
- Sale Triggering Event - Dr. Moskowitz will be entitled to receive an option to purchase up to 100,000,000 shares of common stock if we are purchased or acquired by a larger biotech firm for a minimum of $100,000,000 in value.

We have no compensation committee or other board committee performing equivalent functions. Dr. Moskowitz, our Chairman of the Board, and Mr. White, our previous President and Chief Executive Officer who resigned on October 21, 2002, participated in deliberations of our Board of Directors concerning executive officer compensation.

We have an August 10, 2001 employment agreement with our Chairman of the Board, David Moskowitz, providing for a $135,000 annual salary. This agreement expires on August 15, 2003, but provides for unlimited automatic one year period extensions.

** Our prior President/Chief Executive Officer, Jerry White, who resigned on October 21, 2002, was granted options to purchase 6,000,000 shares of our common stock according to the Settlement Agreement between Mr. White and us.

** Mr. White received $75,521 during 2002 as salary compensation until he resigned on October 21, 2002.

** On November 15, 2001 we entered into a five year employment agreement with our previous President/Chief Executive Officer, Jerry E. White, providing for a $125,000 annual salary. The agreement provided that Mr. White was entitled to receive 5,000,000 shares of our common stock payable at the end of each full year of his employment. Because we employed Mr. White during 2001 as a consultant for a total of only one and one-half months based on a verbal agreement we had with Mr. White, he was not entitled to receive and, in fact, did not receive any stock compensation during 2001. Mr. White was not scheduled to receive his first 5,000,000 shares of our common stock until the end of December 2002. On October 21, 2002, Mr. White resigned his position as President/Chief Executive Officer. On October 25, 2002, we entered into a Settlement Agreement with Mr. White whereby Mr. White was granted options to purchase 6,000,000 shares of our common stock. The options may be exercised for a period of ten years or until October 25, 2012 at an exercise price per share

of twenty percent of the average of the bid and ask of the common stock at the close of business on October 25, 2002 which was $0.0265.

If no "Triggering Event" has occurred by November 9, 2006, we are not obligated to grant the performance option.

Options/SAR Grants in Last Fiscal Year (2004)

There were no Option/SAR Grants made during 2004, our last completed fiscal year, to any of our executive officers.

Name and Principle Position	Number Securities Underlying Options	% of Total Options Granted To Employees in 2003	Exercise or Base Price	Expiratio Date
David Moskowitz Chairman of the Board and Chief Executive Officer	0	0	Not applicable	Not applicabl
Richard Kranitz Secretary/Director	0	0	Not applicable	Not applicabl
TOTAL	0	0		

Aggregate Option/SAR Exercises in Last Fiscal Year and FY-End Option/SAR Values

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SARs at FY-End	Value of In-the Mo Options/S at FY-End ($) Exerc Unexercis
David Moskowitz Chairman of the Board and Chief Executive Officer	Not applicable	Not applicable	38,500,000 / 0	$308,500
Richard A. Kranitz Secretary, Director	Not applicable	Not applicable	1,000,000 / 0	$31,000 /

(1) The value of the unexercised in-the-money options at fiscal year end (December 31, 2003) is calculated as follows: 1,000,000 are exercisable at $0.006 per share; 37,500,000 are exercisable at 20% of the fair market value of the common stock on the exercise date. The value of the common stock on December 31, 2003 was $0.037 per share. The options were not exercised, but had they been, the value would have been as reflected above. In addition, Dr. Moskowitz was granted a performance option to purchase up to 100,000,000 common shares for a period of ten years at an exercise price of 20% of the fair market value of the common stock on the exercise date. The performance options will only be granted to Dr. Moskowitz based upon the occurrence of any of the following "Triggering Events:" (1) Gross Profit Triggering Event - Dr. Moskowitz will be entitled to receive one option to purchase one share of our common stock for every one

cent of gross profit we produce, up to a maximum of 100,000,000 shares of our common stock; or (2) Exchange Triggering Event - Dr. Moskowitz will be entitled to receive an option to purchase up to 100,000,000 shares of our common stock if we become listed and quoted on the NASDAQ Small Cap or the NASDAQ National Market Systems Exchange; or (3) Sale Triggering Event - Dr. Moskowitz will be entitled to receive an option to purchase up to 100,000,000 shares of common stock if we are purchased or acquired by a larger biotech firm for a minimum of $100,000,000 in value. If no "Triggering Event" has occurred by November 9, 2006, we are not obligated to grant the performance option. As of December 31, 2003, Dr, Moskowitz had not been granted any of these performance options; therefore, they are not included in the table.

(2) The options are exercisable at $0.006 per share; the value of the common stock on December 31, 2003 was $0.037 per share. The options were not exercised, but had they been, the value would have been as reflected above.

Board Compensation

Other than provided above, our directors do not receive any compensation for their services as directors, although some directors are reimbursed for reasonable expenses incurred in attending board or committee meetings.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth the ownership of our Common Stock as of the date of this Form 10-KSB by:

- Each shareholder known by us to own beneficially more than 5% of our common stock;
- Each executive officer;
- Each director or nominee to become a director; and
- All directors and executive officers as a group.

Security Ownership of Beneficial Owners:

Title of Class	Name & Address	Amount	Nature
Common	David W. Moskowitz	51,000,000*	Direct

	9666 Olive Blvd. Suite 310 St. Louis, Missouri 63132		
Common	Advanced Optics Electronics 8301 Washington Street Suite 5 Albuquerque, New Mexico	33,364,230	Direct

Security Ownership of Management:

Title of Class	Name & Address	Amount	Nature
Common	David W. Moskowitz 9666 Olive Blvd. Suite 310 St. Louis, Missouri 63132	51,000,000*	Direct
Common	Richard A. Kranitz 1238 12th Avenue Grafton, Wisconsin 53024	1,000,000	Direct
Total of Officers and Directors		52,000,000*	Direct

*David Moskowitz's ownership consists of: (a) his ownership of 12,500,000 shares of common stock; (b) 1,000,000 options to purchase 1,000,000 shares of our common stock, the options of which are exercisable at $0.006 per share; and (c) 37,500,000 options to purchase 37,500,000 shares of our common stock, the options of which are exercisable at 20% of the fair market value of the common stock on the exercise date.

This table is based upon information derived from our stock records. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, we believe that each of the shareholders named in this table has sole or shared voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based upon 187,716,591 shares of common stock outstanding as of March 18, 2004. There are no pending or anticipated arrangements that we are aware of that may cause a change in our control.

Change in Control

We are not currently engaged in any activities or arrangements that we anticipate will result in a change in our control.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

Financial Statements.

The following Financial Statements and Report of Independent Accountants are contained in this Form 10-KSB

EXHIBIT NUMBER	DESCRIPTION
2	In re: e-Miracle Network, Inc. - Amended Plan of reorganization*
3.1	Articles of Incorporation - E-Kids Network, Inc.*
3.2	Articles of Amendment of the Articles of Incorporation of E-Kids Network, Inc.*
3.3	Amended and Restated By Laws of GenoMed, Inc.*
10.1	Agreement and Plan of Exchange by and Between GenoMed, Inc. and Genomic Medicine, LLC and its sole owner*
10.2	Amendment to the Agreement and Plan of Exchange*
10.3	Agreement with Research Capital, LLC*
10.4	Amendment to Agreement with Research Capital, LLC*
10.5	Agreement with DNAPrint Genomics*
10.6	Agreement with Muna, Inc.*
10.7	Agreement with Sequence Sciences, LLC*
10.8	Agreement with Better Health Technologies, Inc.*
10.9	Employment Agreement with Jerry E. White*
10.10	Employment Agreement with David Moskowitz*
10.11	Option Agreement with David Moskowitz*
10.12	Scientific Advisory Board Agreement with Jason Moore*

10.13	Scientific Advisory Board Agreement with Scott Williams*
10.14	Scientific Advisory Board Agreement with Tony Frudakis*
10.15	Resignation of Jerry E. White**
10.16	Settlement Agreement with Jerry E. White**
10.17	Convertible Promissory Note dated April 9, 2003 payable to Research Capital, LLC***
10.18	Scientific Advisory Board Agreement with Frank Johnson**
10.19	Scientific Advisory Board Agreement with Sergio Danilov**
10.20	Scientific Advisory Board Agreement with Geoffrey Boner**
10.21	Stock Option Agreement with Peter C. Brooks**
10.22	Stock Option Agreement with David W Moskowitz**
10.23	Stock Option Award Letter to Jason Moore**
10.24	Stock Option Award Letter to Scott Williams**
10.25	Stock Option Award Letter to Tony Frudakis**
10.26	Stock Option Agreement with Richard A. Kranitz**
10.27	Agreement with Advanced Optics Electronics***
10.28	Agreement with Pierpoint Investissements SA***
10.29	Agreement with E & E Communications***
10.30	Amendment to Agreement with Pierpoint Investissements SA
21	List of subsidiaries*
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Chief Executive Officer and Chief Financial Officer

*Previously filed on April 4, 2002 - Form 10-SB Registration Statement
**Previously filed on May 6, 2003 - Form 10-KSB Annual Report
***Previously filed on April 22, 2004 - Form 10-KSB Annual Report

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our Board of Directors reviews and approves audit and permissible non-audit services performed by its independent accountants, as well as the fees charged for such services. In its review of non-audit service fees and its appointment of Rubin, Brown, Gornstein & Co. LLP, as our independent accountants, the Board

of Directors considered whether the provision of such services is compatible with maintaining independence. All of the services provided and fees charged by Stark Winter Schenkein & Co., LLP in 2003 and 2004 and those charged by Rubin, Brown, Gornstein & Co. LLP in 2004, were approved by the Board of Directors.

Audit Fees

The aggregate fees billed by for professional services for the audit of our annual financial statements of the Company and the reviews of the financial statements included in our quarterly reports on Form 10-QSB for 2004 and 2003 were $25,745 and $14,500, respectively, net of expenses.

Audit-Related Fees

There were no other fees billed by our independent accountants during the last two fiscal years for assurance and related services that were reasonably related to the performance of the audit or review of our financial statements and not reported under "Audit Fees" above.

Tax Fees

The aggregate fees billed during the last two fiscal years for professional services rendered for tax compliance for 2004 and 2003 were $1,600 and $1,750, respectively.

All Other Fees

There were no other fees billed by our independent accountants during the last two fiscal years for products and services provided.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GenoMed, Inc.
(Registrant)

By /s/ David Moskowitz

David Moskowitz, Chairman of the Board and Chief Executive Officer,
Principal Financial Officer, Principal Accounting Officer

Date: April 1, 2005

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ David Moskowitz --- David Moskowitz	Chairman of the Board, President	April 1,
/s/ Robyn Owens ---	Chief Financial Officer	April 1,

Robyn Owens