NANOBAC PHARMACEUTICALS INC
Form SB-2/A
October 04, 2005

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

Amendment No. 2 to FORM SB-2

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

NANOBAC PHARMACEUTICALS, INCORPORATED

(Exact name of registrant as specified in its charter)

Florida	**8071**	**59-3248917**
State or jurisdiction of incorporation or organization	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

2727 W. Martin Luther King Blvd., Suite 850,
Tampa, Florida 33607

(813) 264-2241
(Address and telephone number of registrant's principal executive offices)

John D. Stanton, CEO
2727 W. Martin Luther King Blvd., Suite 850

Tampa, Florida 33607

(813) 264-2241
(Name, address and telephone number of agent for service)

Copy of communications to:
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1065 Avenue of Americas
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Approximate date of proposed sale to the public: From time to time after the effective date of this Registration Statement.

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

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

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

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

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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered[1]	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee[2]
Common stock	26,472,843[3]	$ 0.08	$ 2,117,827.44	$ 268.43
Common stock	32,625,000[4]	$ 0.08	$ 2,610,000.00	$ 330.82
Total Registration Fee				**$ 599.25**

(1) Includes shares of our common stock, no par value, which may be offered pursuant to this registration statement, which shares are issuable pursuant to subscription agreements and the exercise of warrants by the selling stockholders. We are also registering such additional shares of common stock as may be issued as a result of stock-splits, stock dividends and similar transactions pursuant to Rule 416. The number of shares of common stock registered hereunder represents a good faith estimate by us of the number of shares of common stock issuable pursuant to subscription agreements and upon exercise of the warrants. For purposes of estimating the number of shares of common stock to be included in this registration statement, we calculated 100% of the number of shares of our common stock issuable pursuant to subscription agreements assuming the issuance price will be at $0.12 per share. Should we have insufficient shares, we will not rely upon Rule 416, but will file a new registration statement to cover the resale of such additional shares should that become necessary.

(2) Fee calculated in accordance with Rule 457(c) of the Securities Act. Estimated for the sole purpose of calculating the registration fee and based upon the average quotation of the high and low price of our common stock on October 3, 2005, as reported on the OTC Bulletin Board.

(3) Represents common stock that may be issued under subscription agreements.

(4) Represents common stock that may be issued upon the exercise of common share purchase warrants.

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

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PROSPECTUS

Subject to Completion
October 3, 2005

NANOBAC PHARMACEUTICALS, INCORPORATED

59,097,843 SHARES OF COMMON STOCK

This prospectus relates to the resale by certain selling stockholders of up to 59,097,843 shares of common stock of Nanobac Pharmaceuticals, Incorporated issuable to the selling stockholders:

- up to 26,472,843 shares of common stock pursuant to subscription and other agreements; and

- up to 32,625,000 shares of common stock issuable to certain selling stockholders assuming the exercise of outstanding common share purchase warrants.

The selling stockholders may offer to sell the shares of common stock being offered in this prospectus at fixed prices, at prevailing market prices at the time of sale, at varying prices or at negotiated prices. We will not receive any proceeds from the resale of shares of our common stock by the selling stockholders.

Our common stock is quoted on the OTC Bulletin Board under the symbol "NNBP". On October 3, 2005 the closing bid price for one share of our common stock was $0.08. We do not have any securities that are currently traded on any other exchange or quotation system.

Our business is subject to many risks and an investment in our common stock will also involve a high degree of risk. You should invest in our common stock only if you can afford to lose your entire investment. You should carefully consider the various Risk Factors described beginning on page 9 before investing in our common stock.

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

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

The date of this prospectus is October 3, 2005.

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The following table of contents has been designed to help you find important information contained in this prospectus. We encourage you to read the entire prospectus.

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As used in this prospectus, the terms "we", "us", "our", and "Nanobac" mean Nanobac Pharmaceuticals, Incorporated and its subsidiaries, unless otherwise indicated.

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PROSPECTUS SUMMARY

Our Business

We are dedicated to improving people's health through the detection and eradication of nanobacterium *sanguineum* (nanobacteria). Our research is establishing the pathogenic role of Nanobacteria in calcification, particularly in coronary artery heart disease and vascular disease. We have identified two biomarkers of nanobacterial infection, labelled NB2™ ELISA assays, to detect nanobacterial antigen ad IgG antibody. We are also leveraging our proprietary knowledge and intellectual property to develop therapies to treat nanobacterial infection. We currently market a patented therapeutic nanobacteria regimen that we developed.

Our intellectual property covers methods for the detection, growth and treatment of Nanobacteria and is being leveraged to develop novel companion diagnostic and therapeutic products to detect and treat nanobacterial infections. We are also exploring commercialization opportunities in the bio-industrial and bio-medical markets.

About Nanobacteria - Nanobacteria are extremely small cell-walled micro organisms. We believe that they are the smallest self-replicating organism ever detected. Nanobacteria were first discovered in 1988 by a Finnish researcher, and Nanobac co-Founder Olavi Kajander, M.D., Ph.D. Dr. Neva Ciftcioglu joined his team in 1991 and their corroborated work with nanobacteria has put them at the forefront of research into this medically important pathogen. Their research was the first to establish that blood-borne Nanobacteria forms slow-growing calcified colonies in arteries and organs, much as coral reefs are formed.

There are medical researchers that contend that nanobacteria not alive and they are artifacts, contaminants or crystalline growths. We believe research shows that nanobacteria have many characteristics of life and further research is required.

We are also working on the following portfolio of diagnostic and therapeutic products focused on Nanobacteria and diseases of pathological calcification.

1. Diagnostics - We have developed two diagnostic assays to identify the presence of Nanobacteria in blood. One test measures levels of Nanobacterial antigen (NANO-CAPTURE - Nanobacterial Antigen Assay) and the other test measures whether a patient has been exposed to Nanobacteria (NANO-SERO - Nanobacteria Antibody Assay). Our goal is to develop diagnostic assays that will be globally distributed for a variety of diseases associated with nanobacterial infection and pathologic calcification. Our diagnostic tests will facilitate further research into the cause and effect of Nanobacteria and will allow researchers the ability to measure changes in levels of Nanobacteria in their test patients.

2. Therapeutics - We are in the process of implementing a clinical strategy to develop novel therapies against nanobacterial infections. Currently, we offer a combination of supplements that are designed to help break down the hydroxylapatite shell that encapsulates Nanobacteria, which may make the pathogen more susceptible to antimicrobial therapy. Preliminary results demonstrate that our combination of supplements, along with the antibiotic Tetracycline HCL, may reduce coronary calcium scores. However, further studies are required and the preliminary results may be incorrect. To date, no drugs have demonstrated the ability to significantly decrease coronary calcium scores.

3. Other Applications - Nanobacteria may also be contaminating biologics, like vaccines and bio-medical devices, like implantable hip replacement parts. We are exploring commercial opportunities to detect and eradicate nanobacterial infection or contamination in the following additional markets:

· Bio-Medical- Vaccines and Blood Products

· Bio-Industrial- Implantable Durable Medical Devices and Medical Exam Equipment

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Prospectus Summary (continued)

Disease Markets - Nanobacteria may be implicated in a variety of human diseases associated with pathological calcification including coronary artery disease, kidney stones, polycystic kidney disease, prostatitis and cancers with calcium. Treatment costs associated with these diseases represent over $350 billion of total healthcare spending. Most significant amongst this list is cardiovascular disease. Cardiovascular disease represents 27% of all physician visits and 26% of all physician scripts in the United States. Coronary artery disease (CAD) is the most common form of heart disease. CAD begins as coronary artery calcification that leads to atherosclerosis before developing into CAD.

Our principal executive offices are located at 2727 W. Martin Luther King Blvd., Suite 850, Tampa, Florida 33607. We were incorporated under the laws of the state of Florida. Our telephone number is (813) 264-2241.

Number of Shares Being Offered

This prospectus covers the resale by the selling stockholders named in this prospectus of up to 26,472,843 shares of our common stock issued to selling stockholders, and up to 32,625,000 shares of common stock which may be issued to the selling stockholders upon the exercise of outstanding common share purchase warrants issued in connection with private placement. The selling stockholders may sell the shares of common stock in the public market or through privately negotiated transactions or otherwise. The selling stockholders may sell these shares of common stock through ordinary brokerage transactions, directly to market makers or through any other means described in the section entitled "Plan of Distribution".

Number of Shares Outstanding

There were 189,006,760 shares of our common stock issued and outstanding as at October 3, 2005.

Use of Proceeds

We will not receive any of the proceeds from the sale of the shares of common stock being offered for sale by the selling stockholder. We will, however, incur all costs associated with this registration statement and prospectus.

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Prospectus Summary (continued)

Summary of Financial Data

The following selected consolidated financial data has been derived from our consolidated financial statements. The information below should be read in conjuncture with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and related notes. The following information is presented as of and for the period from February 22, 2002 (date of inception) through December 31, 2002 and as of and for the years ended December 31, 2003 and 2004.

	Years ended December 31,		
	2004	2003	2002
Consolidated Balance Sheet Data:			
Working Capital	($1,189,310)	($6,763,635)	($340,922)
Total assets	$ 9,684,307	$ 6,044,090	$ 5,223
Total liabilities	$ 3,573,463	$ 6,850,246	$ 346,145
Shareholders' equity (deficit)	$ 6,110,844	($806,156)	($340,922)
Shares outstanding at period end	187,240,093	99,968,840	19,982,965
Consolidated Statement of Operation Data:			
Revenue	$ 358,361	$ 482,815	$ 0
Gross profit	$ 257,891	$ 149,693	$ 0
Operating loss	($7,600,383)	($2,700,211)	($43,621)
Loss from continuing operations	($8,461,140)	($2,761,133)	($43,621)
Net loss	($8,518,408)	($3,699,491)	($1,475,299)
Diluted earnings per share	($0.06)	($0.05)	($0.11)
Cash dividends	$ 0	$ 0	$ 0
Cash dividends per share	$ 0.00	$ 0.00	$ 0.00
Weighted average common shares	152,903,084	67,489,524	13,941,197

(1) Consolidated Balance Sheet and Consolidated Statement of Operation data for the years ended December 31, 2004 and 2003 give effect to our acquisition of NanobacLabs Pharmaceuticals, Inc. in June 2003 and Nanobac OY in November 2003.

(2) Consolidated Statement of Operation data for the years ended December 31, 2004, 2003 and 2002 give effect for the October 2003 decision to dispose of the HealthCentrics business Unit. Accordingly, HealthCentrics' operations for 2002 and 2003 have been removed from continuing operations.

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RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this prospectus in evaluating our company and our business before purchasing shares of common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. The risks described below are not the only ones facing our company. Additional risks not presently known to us may also impair our business operations. You could lose all or part of your investment due to any of these risks.

We require additional financing in order to continue in business as a going concern, the availability of which is uncertain. We may be forced by business and economic conditions to accept financing terms which will require us to issue our securities at a discount, which could result in further dilution to our existing stockholders.

As discussed under the heading, "Management's Discussion and Analysis - Liquidity and Capital Resources," we require additional financing to fund our operations. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. In addition, any additional equity financing may involve substantial dilution to our stockholders. If we fail to raise sufficient financing to meet our immediate cash needs, we will be forced to scale down or perhaps even cease the operation of our business, which may result in the loss of some or all of your investment in our common stock.

In addition, in seeking debt or equity private placement financing, we may be forced by business and economic conditions to accept terms which will require us to issue our securities at a discount from the prevailing market price or face amount, which could result in further dilution to our existing stockholders.

Liquidity and Working Capital Risks; Need for Additional Capital to Finance Growth and Capital Requirements

Throughout 2004 and 2003, affiliates of our Chief Executive Officer have provided our capital needs through loans and capital contributions. While these affiliates continue to provide for the majority of our cash requirements, they are under no obligation to continue such financing and/or strategic guidance. In the event these affiliates should discontinue their support, we may have difficulty in continuing our operations. In such an event, shareholders could lose their investment in its entirety. Historically, these affiliates have provided capital to us on a demand debt basis after which they may convert debt into shares of our common stock. If, in the future we require additional capital, these affiliates may contribute some or all of our requirements. We anticipate that as a part of any such loan, these affiliates would have rights to convert into additional shares of our common stock. In such an event and to the degree of which we require these affiliates' support, shareholders may experience dilution. At present, we do not maintain key man insurance for our CEO.

In addition to the financial support we may receive from affiliates of our CEO, we may continue to seek to raise capital from public or private equity or debt sources to provide working capital to meet our general and administrative costs until net revenues make the business self-sustaining. We cannot guarantee that we will be able to raise any such capital on terms acceptable to us or at all. Such financing may be upon terms that are dilutive or potentially dilutive to our stockholders. If alternative sources of financing are required, but are insufficient or unavailable, we will be required to modify our growth and operating plans in accordance with the extent of available funding.

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Risk Factors (continued)

Potential Incorrect Conclusions on the Detection and Eradication of Nanobacteria

Most of our future revenue is based on our ability to detect and eradicate Nanobacteria. If it is ultimately proved that our diagnostic methodologies and treatment regimens as covered by our patents are ineffective or based upon incorrect scientific conclusions, our existing patents and product lines may lose most or all of their value. Further, if we are unsuccessful in leveraging our diagnostic and therapeutic products to detect and treat nanobacterial diseases, we may not generate sufficient revenue to offset our expenses.

Acceptance of Products in the Marketplace is Uncertain.

Our future financial performance will depend, at least in part, upon the introduction and customer acceptance of our proposed treatments and products. Our treatments and products may not achieve market acceptance, and such adverse marketing results could materially harm the Company.

Limited Operating History Anticipated Losses; Uncertainty of Future Results

We have a limited operating history upon which an evaluation of our Company and our prospects can be based. Our prospects must be evaluated with a view to the risks encountered by companies in early stages of development, particularly in light of the uncertainties relating to the new and evolving biolife science research which we intend to develop and market, and the acceptance of our business model. We will be incurring costs to: (i) perform research studies to prove the effectiveness of our pharmaceutical products, (ii) further develop and market our products; (iii) establish distribution relationships; and (iv) build an organization. To the extent that such expenses are not subsequently followed by commensurate revenues, our business, results of operations and financial condition will be materially adversely affected. We, therefore, cannot insure that we will be able to immediately generate sufficient revenues. We expect negative cash flow from operations to continue for at least the next 12 months as we continue to develop and market our business. If cash generated by operations is insufficient to satisfy our liquidity, we may be required to sell additional equity or debt securities. The sale of additional equity or convertible debt securities would result in additional dilution to our stockholders. Our initial operations may not be profitable, since time will be required to build our business to the point that our revenues will be sufficient to cover our total operating costs and expenses. Our reaching a sufficient level of sales revenues will depend upon a large number of factors, including availability of sufficient working capital, the number of customers we are able to attract and the costs of continuing development of our product line.

Federal Food and Drug Administration

Some or all of our products may be governed by rules and regulations established by the United States Food and Drug Administration (“FDA”). Changes in FDA regulations and the enforcement thereof may affect our biolife science business. Furthermore, we may not be successful in filing and obtaining approval of our 510K or PMA filings with the FDA for our Nano-Capture Antigen and Nano-Sero IgG ELISA assays.

Data Obtained Through Clinical Trials.

Data obtained from pre-clinical studies and clinical trials do not necessarily predict results that will be obtained from later pre-clinical studies and clinical trials. Moreover, pre-clinical and clinical data is susceptible to varying interpretations, which could delay, limit or prevent regulatory approval. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials, even after experiencing promising results in earlier trials. The failure to adequately demonstrate the safety and/or effectiveness of an intended product under

development could delay or prevent regulatory clearance of the potential drug or treatment, resulting in delays to commercialization, and could materially harm the business.

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Risk Factors (continued)

Competitors in the Pharmaceutical Industry May Develop Competing Technologies

Drug companies and/or other health care companies may seek to develop and market technologies which may compete with our Company's technology. While we believe that our technology regarding the prescription treatment of nanobacterial infections caused by nanobacterium sanguineum is unique, other competitors may develop similar or different treatments which may become more accepted by the marketplace.

Regulations may Inhibit our Ability to Sell Nanobac Supplements

Codex is a joint body comprising government representatives and non-governmental organizations, jointly managed by the United Nation's (U.N.) Food and Agriculture Organization (FAO) and the World Health Organization (WHO) of the U.N. The Codex Committee on Nutrition and Foods for Special Dietary Uses (CCNFSDU) has been attempting to develop international guidelines for vitamins and minerals since 1991. In November 2004, these guidelines were finalized and a vote to ratify will take place in July, 2005.

There is a school of thought within the dietary supplement community that buying vitamins and other dietary supplements will be severely limited by this CODEX. Passage of the above guidelines may inhibit our ability to sell Nanobac Supplement outside of the United States. We do not believe that the passage will impact United State revenue as the U.S. draft position states that "The United States supports consumer choice and access to dietary supplements that are safe and are labelled in a truthful and non-misleading manner." Further, the CODEX Draft notes that the Codex Guidelines for Vitamin and Mineral Supplements will not adversely affect the availability of safe and truthfully labelled supplement products in the U.S. marketplace or to U.S. consumers. If our interpretation is not correct passage of the international guidelines may inhibit the sales of Nanobac Supplement inside and outside of the United States

Risk of Third Party Lawsuits.

We are exposed to potential product liability risks that are inherent in the testing, manufacturing and marketing of pharmaceutical products. We cannot assure potential investors that such claims will not be asserted against the Company. A successful liability claim or series of claims brought against us could have a material adverse effect on our financial condition. In addition, we may be sued by third parties who claim that our products and treatments infringe upon the intellectual property rights of others or that we have misappropriated trade secrets of others. This risk is exacerbated by the fact that the validity and breadth of claims covered in medical technology patents and the breadth and scope of trade secret protection involve complex legal and factual questions for which important legal principles are unresolved. Any litigation or claims against us, whether or not valid, could result in substantial costs, could place a significant strain on our financial resources, and could harm our reputation.

Government Regulation

Healthcare in general and the pharmaceuticals industry in particular are highly regulated markets, subject to both federal and a multitude of state regulations and guidelines. The majority of our business is still in clinical research applications and is governed by the medical community. There can be no assurance that changes to state or federal laws will not materially restrict our ability to sell our products or develop new product lines.

Intellectual Property Rights

We have a family of patents encompassing the detection and eradication of nanobacteria. There are risks inherent in any intellectual property rights in that they may be challenged as being invalid or not original. Additionally, other parties may abuse such intellectual rights, causing the Company to defend its rights.

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Risk Factors (continued)

Dependency upon Key Technical and Scientific Personnel Who May Terminate Employment at Any Time.

Our success will depend to a significant degree upon the continued services of key technical and scientific personnel, including but not limited to E. Olavi Kajander, MD, PhD. In addition, our success may depend on our ability to attract and retain other highly skilled personnel. Competition for qualified personnel is intense, and the process of hiring and integrating such qualified personnel is often lengthy. We may be unable to recruit personnel on a timely basis, if at all. All of the Company's management and other employees may voluntarily terminate their employment with us at any time. The loss of the services of key personnel, or the inability to attract and retain additional qualified personnel, could result in delays to development, loss of sales, and/or diversion of management resources that could have a material adverse affect on the Company.

Competition

The markets in which we compete include successful and well-capitalized competitors that vary in size and scope. Principal competitors include Pfizer, Merck and other pharmaceutical companies having unique treatments for cardiovascular disease. All of these competitors are more established, benefit from greater name recognition and have substantially greater resources than us. Moreover, we could face additional competition as other established and emerging companies enter the market and new products and technologies are introduced. Increased competition could result in price reductions, fewer customer subscriptions, reduced gross margins and loss of market share, any of which could materially adversely affect our business, financial condition and operating results. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third-parties, thereby increasing the ability of their products to address the needs of our prospective consumers. While we believe we can differentiate our product from these current and future competitors, focusing on the products' functionality, flexibility, adaptability and features, there can be no assurance that we will be able to compete successfully against current and future competitors. The failure to effectively compete would have a material adverse effect upon our business, financial condition and operating results.

Lack of Independent Directors

We cannot guarantee our Board of Directors will have a majority of independent directors in the future. In the absence of a majority of independent directors, our executive officers, who are also principal stockholders and directors, could establish policies and enter into transactions without independent review and approval thereof. This could present the potential for a conflict of interest between the Company's stockholders and the controlling officers and/or directors.

Limitation of Liability and Indemnification of Officers and Directors

Our officers and directors are required to exercise good faith and high integrity in our management affairs. Our Articles of Incorporation and By Laws provide, however, that our officers and directors shall have no liability to our shareholders for losses sustained or liabilities incurred which arise from any transaction in their respective managerial capacities unless they violated their duty of loyalty, did not act in good faith, engaged in intentional misconduct or knowingly violated the law, approved an improper dividend or stock repurchase, or derived an improper benefit from the transaction. Our Articles and By-Laws also provide for the indemnification by us of the officers and directors against any losses or liabilities they may incur as a result of the manner in which they operate our business or conduct the internal affairs, provided that in connection with these activities they act in good faith and in a manner they reasonably believe to be in, or not opposed to, the best interests of the Company, and their conduct does not constitute gross negligence, misconduct or breach of fiduciary obligations.

Continued Control by Current Officers and Directors

The present officers and directors control approximately 50% of the outstanding shares of Common Stock, and are in a position to elect all of our Directors and otherwise control the Company, including, without limitation, authorizing the sale of equity or debt securities of the Company, the appointment of officers, and the determination of officer's salaries. Shareholders have no cumulative voting rights.

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Please read this prospectus carefully. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information provided by the prospectus is accurate as of any date other than the date on the front of this prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, which relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors" on pages 8 to 11, that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results The safe harbour for forward-looking statements provided in the Private Securities Litigation Reform Act of 1995 does not apply to the offering made in this prospectus.

SECURITIES AND EXCHANGE COMMISSION'S PUBLIC REFERENCE

Any member of the public may read and copy any materials filed by us with the Securities and Exchange Commission at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet web site (http://www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

THE OFFERING

This prospectus covers the resale by the selling stockholders named in this prospectus by the selling stockholders named in this prospectus of:

- up to 26,472,843 shares of common stock including common stock issuable to the selling stockholders pursuant to subscription agreements; and

- up to 32,625,000 shares of common stock issuable to selling stockholders assuming the exercise of outstanding common share purchase warrants.

USE OF PROCEEDS

The shares of common stock offered hereby are being registered for the account of the selling stockholders named in this prospectus. As a result, all proceeds from the sales of the common stock will go to the selling stockholders and we will not receive any proceeds from the resale of the common stock by the selling stockholders. We will, however, incur all costs associated with this registration statement and prospectus.

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SELLING SHAREHOLDERS

This prospectus relates to the offer and sale by the following selling stockholders of the indicated number of shares, all of which are issuable pursuant to warrants and subscription agreements held by these selling stockholders. The number of shares set forth in the table for the selling stockholders represents an estimate of the number of shares of common stock to be offered by the selling stockholders. The actual number of shares of common stock issuable pursuant to the subscription agreements is based on the future market price of the common stock. The actual number of shares of common stock offered in this prospectus, and included in the registration statement of which this prospectus is a part, includes such additional number of shares of common stock as may be issued or issuable pursuant to the subscription agreements and exercise of the related warrants by reason of any stock split, stock dividend or similar transaction involving the common stock, in accordance with Rule 416 under the Securities Act of 1933.

The Shareholder identified under “OY Acquisition” is currently employed by the Company, but is not a Named Executive Officer of the Company. None of the other selling stockholders have held any position or office within our company, nor have they had any other material relationship with us in the past three years, other than in connection with transactions pursuant to which the selling stockholders acquired convertible notes and warrants. We have been notified by the selling stockholders that they are not broker-dealers or affiliates of broker-dealers and that they believe they are not required to be broker-dealers.

The following table also sets forth the name of each person who is offering the resale of shares of common stock by this prospectus, the number of shares of common stock beneficially owned by each person, the number of shares of common stock that may be sold in this offering and the number of shares of common stock each person will own after the offering, assuming they sell all of the shares offered.

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Selling Shareholders (continued)

Name	Shares Beneficially Owned Prior to the Offering		Total Shares Registered (1)	Shares Beneficially Owned After the Offering	
	Number (1)	Percent (2)	(3)	Number	Percent (2)
Subscription Agreements					
The Nutmeg Group, LLC (4)	32,500,000	14.6%	32,500,000	0	0.0%
3366 Commercial					
Northbrook, IL 60062					
Jaytern Associates, Inc. (5)	6,250,000	3.1%	6,250,000	0	0.0%
29 Beach Road					
Monmouth Beach, NJ 07750					
NITE Capital (6)	10,000,000	4.9%	10,000,000	0	0.0%
100 East Cook Avenue, Suite 201					
Libertyville, IL 60048					
Hartsfield Capital Securities, Inc. (7)	3,250,000	1.6%	3,250,000	0	0.0%
3775 Mansell Road					
Alparetta, GA 30022					
Subtotal	52,000,000	21.8%	52,000,000	0	0.0%
Conversion of Current Liabilities					
Benedict Maniscalco	1,566,925	0.8%	951,925	615,000	0.3%
4730 N. Habana Avenue					
Suite 201					
Tampa, FL 33614					
MacFarlane Ferguson & McMullen	222,460	0.1%	222,460	0	0.0%
400 North Tampa Street					
Suite 2300					
Tampa, FL 33602					
Subtotal	1,789,385	0.9%	1,174,385	615,000	0.3%
OY Acquisition					
E. Olavi Kajander (8)	6,523,458	3.3%	5,923,458	600,000	0.3%
2727 W Martin Luther King Blvd					
Suite 850					
Tampa, Florida 33607					
Subtotal	6,523,458	3.3%	5,923,458	600,000	0.3%
Total	60,312,843	24.7%	59,097,843	1,215,000	0.6%

The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any shares as to which the selling stockholder has sole or shared voting power or investment power and also any shares, which the selling stockholder has the right to acquire

within 60 days. The actual number of shares of common stock issuable pursuant to the subscription agreements are subject to adjustment depending on the future market price of the common stock, and could be materially less or more than the number estimated in the table.

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(1) Represents common stock that potentially may be issued: (a) pursuant to subscription agreements; and (b) upon the exercise of common share purchase warrants issued to the named selling stockholders pursuant to subscription agreements. The subscription agreements contains a contractual restriction on beneficial share ownership. It provides that the holder may not receive shares, or exercise the warrant, to the extent that such shares, would result in the holder, together with its affiliates, beneficially owning in excess of 4.99% of our then issued and outstanding shares of common stock. For the purposes of this table, any contractual restriction on the number of securities the selling stockholders may own at any point in time has been disregarded.

(2) Includes 189,006,760 shares of common stock issued and outstanding as of October 3, 2005 and 32,625,000 Warrants related to the selling shareholders.

(3) Assumes that all securities registered will be sold.

(4) Includes 10,833,333 shares of common stock underlying a subscription amount of $650,000 and 8,125,000 shares underlying warrants exercisable at 120% of the Fixed Price per share and 8,125,000 shares underlying warrants exercisable at 150% of the Fixed Price per share.

(5) Includes 2,083,333 shares of common stock underlying a subscription amount of $125,000 and 1,562,500 shares underlying warrants exercisable at 120% of the Fixed Price per share and 1,562,500 shares underlying warrants exercisable at 150% of the Fixed Price per share.

(6) Includes 3,333,333 shares of common stock underlying a subscription amount of $200,000 and 2,500,000 shares underlying warrants exercisable at 120% of the Fixed Price per share and 2,500,000 shares underlying warrants exercisable at 150% of the Fixed Price per share.

(7) Includes 3,250,000 shares underlying warrants at approximately $.15 per share.

(8) Includes 5,000,000 shares of common stock underlying warrants exercisable at $.005 per share.

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CIRCUMSTANCES UNDER WHICH THE SELLING STOCKHOLDERS ACQUIRED SECURITIES

Subscription Agreements

From August through February 2005, we entered into subscription agreements, with the selling stockholders, for a private placement of shares of common stock and warrants for an aggregate purchase price of $2,950,000 ($1,000,000 of which is from an affiliate of the Company). As of date, we received an aggregate of $1,475,000 from the selling stockholders (including $500,000 from an affiliate of the Company) and the balance will be paid within five days of the effectiveness of this prospectus. The purchasers are irrevocably bound to purchase our securities.

Shares of Common Stock

The shares of common stock are priced at the lesser of
(a) $0.12, or

(b) fifty-two percent (52%) of the average closing bid price for the common stock on the five trading days immediately prior to the date on which the registration statement is declared effective.

(the lesser of (a) and (b) are referred to as the "Fixed Price").

Warrants

The selling stockholders will be issued warrants exercisable into such number of shares of common stock equal to 100% of the subscription amount paid by the selling stockholders, divided by the Fixed Price. The warrants expire on December 31, 2008. Fifty percent (50%) of such warrants are exercisable into shares of common stock at a price per share equal to 110% of the lesser of (a) $0.12; or (b) fifty-two percent (52%) of the average closing bid price for our common stock for the five trading days immediately prior to the filing with the Securities and Exchange Commission of the Registration Statement]. The remaining fifty percent (50%) of the warrants are exercisable into shares of common stock at price per share equal to 150% of the lesser of (a) $0.12; or (b) fifty-two percent (52%) of the average closing bid price for Common Stock on the five trading days immediately prior to the filing with the Securities and Exchange Commission of the Registration Statement].

Conversion of Current Liabilities

During October and December 2004, we entered into agreements with two creditors for the conversion of approximately $170,000 of current liabilities into 1,174,385 shares of common stock. The current liabilities were the result of professional services provided to us.

OY Acquisition

In January, March and August, we executed agreements to issue 5,923,458 shares of our common stock and 5,000,000 warrants exercisable into shares of our common stock in exchange for the remaining 35% of Nanobac OY and the settlement of past services provided by the minority stockholders of Nanobac OY. At the conclusion of these transactions, we owned 100% of Nanobac OY.

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PLAN OF DISTRIBUTION

The selling stockholders and any of their respective pledgees, donees, assignees and other successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling stockholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits the purchaser;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately-negotiated transactions;
- short sales that are not violations of the laws and regulations of any state or the United States;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- through the writing of options on the shares;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus. The selling stockholders shall have the sole and absolute discretion not to accept any purchase offer or make any sale of shares if they deem the purchase price to be unsatisfactory at any particular time.

The selling stockholders may also engage in short sales against the box, puts and calls and other transactions in our securities or derivatives of our securities and may sell or deliver shares in connection with these trades.

The selling stockholders or their respective pledgees, donees, transferees or other successors in interest, may also sell the shares directly to market makers acting as principals and/or broker-dealers acting as agents for themselves or their customers. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling stockholders and/or the purchasers of shares for whom such broker-dealers may act as agents or to whom they sell as principal or both, which compensation as to a particular broker-dealer might be in excess of customary commissions. Market makers and block purchasers purchasing the shares will do so for their own account and at their own risk. It is possible that a selling stockholder will attempt to sell shares of common stock in block transactions to market makers or other purchasers at a price per share which may be below the then market price. The selling stockholders cannot assure that all or any of the shares offered in this prospectus will be issued to, or sold by, the selling stockholders. The selling stockholders and any brokers, dealers or agents, upon effecting the sale of any of the shares offered in this prospectus, may be deemed to be "underwriters" as that term is defined under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the rules and regulations under such acts. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

We are required to pay all fees and expenses incident to the registration of the shares, including fees and disbursements of counsel to the selling stockholders, but excluding brokerage commissions or underwriter discounts.

The selling stockholders, alternatively, may sell all or any part of the shares offered in this prospectus through an underwriter. No selling stockholder has entered into any agreement with a prospective underwriter and there is no assurance that any such agreement will be entered into.

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Plan of Distribution (continued)

The selling stockholders may pledge their shares to their brokers under the margin provisions of customer agreements. If a selling stockholder defaults on a margin loan, the broker may, from time to time, offer and sell the pledged shares. The selling stockholders and any other persons participating in the sale or distribution of the shares will be subject to applicable provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations under such act, including, without limitation, Regulation M. These provisions may restrict certain activities of, and limit the timing of purchases and sales of any of the shares by, the selling stockholders or any other such person. In the event that the selling stockholders are deemed affiliated purchasers or distribution participants within the meaning of Regulation M, then the selling stockholders will not be permitted to engage in short sales of common stock. Furthermore, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and certain other activities with respect to such securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. In regards to short sells, the selling stockholder can only cover its short position with the securities they receive from us upon conversion. In addition, if such short sale is deemed to be a stabilizing activity, then the selling stockholder will not be permitted to engage in a short sale of our common stock. All of these limitations may affect the marketability of the shares.

LEGAL PROCEEDINGS

Except as described below, we know of no material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholders are an adverse party or has a material interest adverse to us.

On September 24, 2004 a civil action was filed in United States District Court - Southern District of California by World Health Products, LLC (“World Health”) broadly alleging that the Company, together with a customer of the Company (“Customer”), has infringed on its Patent Number 5,602,180 related to the sale of suppositories included in the Company’s supplement product. World Health alleged additional complaints against the Customer to which the Company is not liable. During February 2005, World Health dropped the Company from their lawsuit as there tests of the Company’s suppositories determined that World Health’s patents were not being infringed upon.

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DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Name	Position Held with the Company	Age	Date First Elected or Appointed
John Stanton	Chief Executive and Financial Officer, and Chairman	56	November 2000
Alex Edwards	Director	40	March 2003 and January 2004
Dr. Jan Egberts	Director	45	January 2004
Dr. Stephen Rechtschaffen	Director	55	January 2004

Business Experience

The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and key employee, indicating the principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

John Stanton - Chairman Chief Executive Officer and Chief Financial Officer - From March 2001 through January 2004, Mr. Stanton served as our Chief Executive Officer (“CEO”). Mr. Stanton reassumed the role of CEO on July 23, 2004. From March, 2001 through the present, Mr. Stanton has served as our Chairman of the Board of Directors and Chief Financial Officer. From 1987 through the present, Mr. Stanton served as the President and CEO of Florida Engineered Construction Products, Corporation. Mr. Stanton has served as Chairman of the Board of Directors of publicly-traded EarthFirst Technologies, Inc. from May 15, 2000 through the present. Mr. Stanton also serves on the Board of Directors of publicly traded Medical Technology Systems, Inc., Powercerv Corp., Cybercare, Inc. and White Knight SST, Inc. Since the early 1990's, Mr. Stanton has been, and continues to be, involved in turn-around management for financially distressed companies, providing both management guidance and financing. In 1981, Mr. Stanton assumed the role of Chief Financial Officer for Florida Engineered Construction Products, Corporation, a privately held manufacturer of residential and commercial construction products, located in Tampa, Florida. Mr. Stanton worked as an auditor with the international professional services firm that is now known as Ernst & Young, LLP from 1973 through 1981. Mr. Stanton, a Vietnam veteran of the United States Army, graduated from the University of South Florida with a Bachelors Degree in Marketing and Accounting in 1972, and with an MBA in 1973. Mr. Stanton earned the designation of Certified Public Accountant in 1974 and was a Sells Award winner in the CPA examination. Mr. Stanton is a lifetime resident of Tampa, Florida.

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Directors, Executive Officers, Promoters and Control Persons (continued)

Alex Edwards - Director - Beginning January 2004, Mr. Edwards served as our CEO. He relinquished the CEO role to Mr. Stanton in July 2004. From March 2003 through January 2004, Mr. Edwards served as our Executive Vice President and Chief Operating Officer. Mr. Edwards was also a Director from March 2003 through May 2003. He rejoined the Board of Directors in January 2004 and continues to serve on the Board of Directors through the present. From May 2002 through present, Mr. Edwards is a managing partner of 360 Partners as well as president and CEO of 360 Energy. From January 1997 to May 2002, Edwards was an executive with SRI/Surgical Express. He served in roles that ranged from vice-president/general manager to spending his last year with the company as president. From February 1993 through December 1996, he worked in sales and marketing with Dianon Systems, Inc. His positions included sales and sales management roles as well as field and corporate marketing. Mr. Edwards also served as an officer in the United States Navy with duty assignments ranging from shipboard divisional leadership to executive assistant for the Naval Surface Group Commander in Norfolk, Virginia. Mr. Edwards is a 1987 graduate of the United States Naval Academy.

In August 4003 Mr. Edwards settled a civil enforcement action brought against him by the Securities and Exchange Commission in U.S. District Court in Tampa, Florida. The complaint alleged that Mr. Edwards, while serving as president of SRI/Surgical Express, Inc. (SRI), a publicly traded Florida hospital supply company, caused SRI to enter into two transactions that resulted in SRI overstating its Fiscal 2001 third quarter revenue. Without admitting or denying the allegations in the complaint, Mr. Edwards consented to the entry of a Final Judgment permanently enjoining him from future violations of (or aiding and abetting violations of) Sections 10(b), 13(b)(5), and 13(b)(2)(A) and (B) of the Securities Exchange Act of 1934 and Exchange Act Rule 13b2-1. The Final Judgment also imposed a $50,000 civil penalty.

Dr. Jan Egberts - Director - Dr. Egberts joined the Board of Directors on February 2, 2004. From February 2001 to January 2004 Dr Egberts served as Chairman of Molnlycke Healthcare, Inc. in Newtown, PA. In addition, he served concurrently as President of the BARRIER division from February 2001 through April 2002 and from April 2002 to January 2004 as Senior Vice President and Global Marketing Director of Molnlycke Health Care in Goteborg Sweden. Prior to Molnlycke, Dr. Egberts served as Vice President, Business and Market Development World Wide for Johnson & Johnson, New Brunswick, NJ from November, 1996 to February, 2001. At Johnson & Johnson, he served as a member of the Global Management Board of the Johnson & Johnson Medical franchise where he was responsible for licensing/acquisitions, equity investment and patent management. Prior to Johnson & Johnson, Dr. Egberts held various positions with Merck & Co. including Senior Director Marketing, Osteoporosis Business Group in West Point, PA from February, 1994 to November, 1996; Partner in Egberts & Company, in Amsterdam from September, 1993 to February, 1994 and various roles including lastly Engagement Manager with McKinsey & Company in New York, Dusseldorf, London and Amsterdam from September, 1989 to September, 1993. Finally, Dr Egberts was the Project Manager with Cancer Biotechnology Research and Development Organon / Bionetics Research, Inc. from September, 1995 to August, 1997.

Dr. Egberts received his medical degree from Erasmus University Medical School, Rotterdam, the Netherlands in 1985. He pursued the final two years of his Medical School at Harvard Medical School in Boston and served a Medical Subinternship at John Hopkins Medical School in Baltimore. He received his MBA from Stanford Graduate School of Business in 1989.

Dr. Stephan Rechtschaffen - **Director -** Dr. Rechtschaffen joined the Board of Directors on February 2, 2004. He co-founded Omega Institute in 1977 and is the present CEO and Chairman of the Board. He was the developer and director of Foxhollow Wellness Spa in Lenox, MA from October 387 through June 1989, and director of the Rhinebeck Health Center in Rhinebeck, NY, from November 1983 through March1989. Dr. Rechtschaffen is the author of: *TimeShifting; Creating More Time to Enjoy Your Life*, 1996, published in the United States by Doubleday,

and in England, Europe, Japan and Australia by Random House. He is co-author of *Vitality and Wellness*, 1999, published by Dell. Dr. Rechtschaffen received his medical degree in 1973 from New York Medical College in New York City. His residency was at Harkness Community Hospital in San Francisco.

Family Relationships

There are no family relationships between any of our company's directors or executive officers.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of October 3, 2005, certain information with respect to the beneficial ownership of our common stock by each stockholder known by us to be the beneficial owner of more than 5% of our common stock and by each of our current directors and executive officers. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class[1]
Gary S. Mezo (3)		
11407 Minaret Drive		
Tampa, FL 33626	24,560,000	12.99%
John D. Stanton (4) (5) (6)	89,082,658	47.13%