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20/20 NETWORKS INC
Form 10QSB
August 23, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 2004

OR

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

From the transition period from _____ to _____.

Commission File Number 0-29935

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

Nevada
(State or other jurisdiction of incorporation or organization) 33-0677140
(IRS Employer Identification No.)

20700 Ventura Blvd., #227, Woodland Hills, California 91364

(Address of principal executive offices)

(818) 227-9494
(Issuer's telephone number)

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

Indicate by check mark whether the registrant (1) filed all reports
required to be filed by Section 13 or 15(d) of the Exchange Act during the past
12 months (or for such shorter period that the registrant was required to file
such reports), and (2) has been subject to such filing requirements for the past
90 days:

Yes: No:

As of August 19, 2004 there were 145,799,000 shares of Common Stock of the
issuer outstanding.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
BALANCE SHEET
JUNE 30, 2004

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(UNAUDITED)

| ASSETS | |
|---|-------------|
| Assets | |
| Cash | \$ 284 |
| Advances receivable - related party | 20,000 |
| | ----- |
| | \$ 20,284 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | |
| Current liabilities: | |
| Accounts payable and accrued expenses | \$ 162,074 |
| Accounts payable - related party | 27,606 |
| Advances - related party | 45,520 |
| | ----- |
| Total current liabilities | 235,200 |
| | ----- |
| STOCKHOLDERS' DEFICIT: | |
| Common stock, \$.001 par value, 500,000,000 shares authorized, 145,799,000 shares issued and outstanding | 145,799 |
| Additional paid in capital | 2,474,671 |
| Accumulated deficit | (2,835,386) |
| | ----- |
| Total Stockholders' Deficit | (214,916) |
| | ----- |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ 20,284 |
| | ===== |

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MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
STATEMENTS OF OPERATIONS
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|--------------|------------------------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| | ----- | ----- | ----- | ----- |
| Costs and Expenses: | | | | |
| General and administrative | \$ 1,486,084 | \$ 138,090 | \$ 1,509,265 | \$ 148,670 |
| | ----- | ----- | ----- | ----- |
| Net loss | \$ (1,489,084) | \$ (138,090) | \$ (1,509,265) | \$ (148,670) |
| | ===== | ===== | ===== | ===== |
| Net loss per share: | | | | |
| Net loss basic and diluted | \$ (0.01) | \$ (0.01) | \$ (0.01) | \$ (0.01) |
| | ===== | ===== | ===== | ===== |
| Weighted average shares outstanding: | | | | |
| Basic and diluted | 134,895,429 | 11,433,020 | 133,359,714 | 10,034,200 |

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
 STATEMENTS OF CASH FLOWS
 SIX MONTHS ENDED JUNE 30, 2004 AND 2003
 (UNAUDITED)

| | 2004 | 2003 |
|---|----------------|--------------|
| | ----- | ----- |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ (1,509,265) | \$ (148,670) |
| Adjustments to reconcile net deficit to cash used by operating activities: | | |
| Common stock for services | 1,467,376 | 128,000 |
| Net change in: | | |
| Accounts payable and accrued expenses | 16,653 | 20,670 |
| | ----- | ----- |
| CASH FLOWS USED IN OPERATING ACTIVITIES | (25,236) | -- |
| | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Advance to a related party | (20,000) | -- |
| | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from advances-related party | 45,520 | -- |
| | ----- | ----- |
| NET DECREASE IN CASH | 284 | -- |
| Cash, beginning of period | -- | -- |
| | ----- | ----- |
| Cash, end of period | \$ 284 | \$ -- |
| | ===== | ===== |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Interest paid | -- | -- |
| Income taxes paid | -- | -- |

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

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Micro Bio-Medical Waste Systems, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the

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Company's registration statement filed with the SEC on Form 10-KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end December 31, 2003 as reported in Form 10-KSB, have been omitted.

NOTE 2 - ADVANCES RECEIVABLE - RELATED PARTY

Micro Bio-Medical has advanced \$20,000 to a related party. The advance is due on demand.

NOTE 3 - ADVANCES - RELATED PARTY

Micro Bio-Medical has received advances from one shareholder totaling \$45,520. The advances are unsecured and are due upon demand.

NOTE 4 - COMMON STOCK

In June 2004, 13,975,000 shares of common stock were issued to various consultants for services provided. The shares were valued at \$1,467,376 or \$0.105 per share.

The board of directors approved a 20 for 1 stock split in January 2004. All stock information is shown post split on these financial statements.

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ITEM 2. MICRO BIO-MEDICAL WASTE SYSTEMS, INC. BALANCE SHEET JUNE 30, 2004 (UNAUDITED)

ASSETS

| | |
|-------------------------------------|-----------|
| Assets | |
| Cash | \$ 284 |
| Advances receivable - related party | 20,000 |
| | ----- |
| | \$ 20,284 |

LIABILITIES AND STOCKHOLDERS' DEFICIT

| | |
|---------------------------------------|------------|
| Current liabilities: | |
| Accounts payable and accrued expenses | \$ 162,074 |
| Accounts payable - related party | 27,606 |
| Advances - related party | 45,520 |
| | ----- |
| Total current liabilities | 235,200 |
| | ----- |

| | |
|---|-------------|
| STOCKHOLDERS' DEFICIT: | |
| Common stock, \$.001 par value, 500,000,000 shares authorized, 145,799,000 shares issued and outstanding | 145,799 |
| Additional paid in capital | 2,474,671 |
| Accumulated deficit | (2,835,386) |
| | ----- |
| Total Stockholders' Deficit | (214,916) |

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| | |
|---|-----------------------------|
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | ----- \$ 20,284 ===== |
|---|-----------------------------|

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MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
STATEMENTS OF OPERATIONS
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--------------------------------------|--------------------------------|--------------|------------------------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| | ----- | ----- | ----- | ----- |
| Costs and Expenses: | | | | |
| General and administrative | \$ 1,486,084 | \$ 138,090 | \$ 1,509,265 | \$ 138,090 |
| | ----- | ----- | ----- | ----- |
| Net loss | \$ (1,489,084) | \$ (138,090) | \$ (1,509,265) | \$ (138,090) |
| | ===== | ===== | ===== | ===== |
| Net loss per share: | | | | |
| Net loss basic and diluted | \$ (0.01) | \$ (0.01) | \$ (0.01) | \$ (0.01) |
| | ===== | ===== | ===== | ===== |
| Weighted average shares outstanding: | | | | |
| Basic and diluted | 134,895,429 | 11,433,020 | 133,359,714 | 10,000,000 |
| | ===== | ===== | ===== | ===== |

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MICRO BIO-MEDICAL WASTE SYSTEMS, INC.
STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

| | 2004 | 2003 |
|---|----------------|--------------|
| | ----- | ----- |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ (1,509,265) | \$ (148,670) |
| Adjustments to reconcile net deficit to cash used by operating activities: | | |
| Common stock for services | 1,467,376 | 128,000 |
| Net change in: | | |
| Accounts payable and accrued expenses | 16,653 | 20,670 |
| | ----- | ----- |
| CASH FLOWS USED IN OPERATING ACTIVITIES | (25,236) | -- |
| | ----- | ----- |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |

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| | | |
|--------------------------------------|----------|-------|
| Advance to a related party | (20,000) | -- |
| | ----- | ----- |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from advances-related party | 45,520 | -- |
| | ----- | ----- |
| NET DECREASE IN CASH | 284 | -- |
| Cash, beginning of period | -- | -- |
| | ----- | ----- |
| Cash, end of period | \$ 284 | \$ -- |
| | ===== | ===== |
| SUPPLEMENTAL CASH FLOW INFORMATION | | |
| Interest paid | -- | -- |
| Income taxes paid | -- | -- |

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

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Micro Bio-Medical Waste Systems, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's registration statement filed with the SEC on Form 10-KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end December 31, 2003 as reported in Form 10-KSB, have been omitted.

NOTE 2 - ADVANCES RECEIVABLE - RELATED PARTY

Micro Bio-Medical has advanced \$20,000 to a related party. The advance is due on demand.

NOTE 3 - ADVANCES - RELATED PARTY

Micro Bio-Medical has received advances from one shareholder totaling \$45,520. The advances are unsecured and are due upon demand.

NOTE 4 - COMMON STOCK

In June 2004, 13,975,000 shares of common stock were issued to various consultants for services provided. The shares were valued at \$1,467,376 or \$0.105 per share.

The board of directors approved a 20 for 1 stock split in January 2004. All stock information is shown post split on these financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

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

GENERAL

Micro Bio-Medical Waste Systems, Inc., formerly known as the Company Networks, Inc. (the "Company") was incorporated on August 31, 1995 as "Visioneering Corporation" under the laws of the State of Nevada, to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions. The Company has changed its name several times. None of the proposed business activities for which the Company's name was changed produced any revenues or created any appreciable business activities for the Company.

In December, 2003, the Company entered into an Agreement with its majority shareholder, Crown Partners, Inc. (:Crown") to acquire Crown's wholly owned subsidiary, Sanitec Services of Hawaii, Inc. The Company is obligated to pay Crown the sum of \$550,000 and issue five percent of its common stock to Crown. The \$550,000 was due within 60 days of the agreement but the Company has been unable to pay the sum owing, so that the transaction with Crown has not been closed. As part of the transaction with Crown, the Company changed its name to "Micro Bio-Medical Waste Systems, Inc." and approved a twenty-for-one forward stock split which was implemented in January, 2004. The Company does not know when or if it will be able to complete this transaction.

Once the Company is able to pay Crown the money it owing to it, the Company will assume management and control of Crown's Hawaiian operations. The Company anticipates engaging in the medical waste disposal business and other related business ventures.

RESULTS OF OPERATIONS

THREE AND SIX MONTHS ENDED JUNE 30, 2004 COMPARED TO THREE AND SIX MONTHS ENDED JUNE 30, 2003

There were no revenues or cost of revenues for the three and six months ended June 30, 2004 and 2003, respectively.

The Company's expenses for the three months ended June 30, 2004 were approximately \$1,486,000, representing general and administrative expenses, which are primarily from the issuance of 13,975,000 shares of common stock for services valued at \$1,467,376 or \$0.105 per share. The Company recorded a net loss of (\$1,489,084) for the three months ended June 30, 2004. The Company's expenses for the three months ended June 30, 2003 were \$138,090 representing general and administrative costs and the Company recorded a net loss of (\$138,090) for the three months ended June 30, 2003. The net loss per share was (\$0.01) for the three months ended June 30, 2004 compared to a net loss of (\$0.01) per share for the three months ended June 30, 2003.

The Company's expenses for the six months ended June 30, 2004 were approximately \$1,509,265, representing general and administrative expenses which are primarily

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from the issuance of 13,975,000 shares of common stock for services valued at \$1,467,376 or \$0.105 per share. The Company recorded a net loss of (\$1,509,265) for the six months ended June 30, 2004. The Company's expenses for the six months ended June 30, 2003 were \$148,670 representing general and administrative costs. The Company recorded a net loss of (\$148,670) for the six months ended June 30, 2003. The net loss per share was (\$0.01) for both six month periods ended June 30, 2004 and 2003.

As of June 30, 2004, the Company had assets of approximately \$20,00 consisting of cash of less than \$300 and an advance from a related party of \$20,000. The Company's current liabilities at June 30, 2004 were approximately \$235,000.

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The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate revenues and may operate at a loss after completing a business combination, depending upon the performance of the acquired business.

The Company will attempt to carry out its business plan as discussed above. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan prior to the consummation of a business combination.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company has experienced no significant change in liquidity or capital resources or stockholders equity other than the receipts of proceeds from offerings of its capital stock. The Company received \$250,000 from an offering conducted under Rule 504 of Regulation D in 1999. The Company also raised approximately \$158,000 from the issuance of 7,200,000 shares of the Company's common stock prior to 1997. In 1997, the Company raised an additional \$345,000 from the sale of its common stock. The Company's balance sheet as of June 30, 2004 reflects limited assets and limited liabilities. Further, there exist no agreements or understandings with regard to loan agreements by or with the Officers, Directors, principals, affiliates or shareholders of the Company.

The Company is continuing to search for suitable merger candidates or other businesses to become involved in so that it can commence operations and generate revenues to continue paying its bills.

The Company will attempt to carry out its plan of business and hopes to enter into a business combination with another entity. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan prior to the consummation of a business combination.

NEED FOR ADDITIONAL FINANCING

The Company's existing capital is not sufficient to meet its cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, as amended. Once a business combination is completed, the Company's need for additional financing is likely to increase substantially.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any funds will be available to the Company' to allow it to cover its expenses.

The Company might seek to compensate providers of services by issuing common stock in lieu of cash.

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DESCRIPTION OF PROPERTIES

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

EMPLOYEES

As of June 30, 2004, the Company has no employees. The Company utilizes the services of consultants as needed.

Inflation

The Company's results of operations have not been affected by inflation and management does not expect inflation to have a significant effect on its operations in the future.

ITEM 3. CONTROLS AND PROCEDURES

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

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

PART II

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

ITEM 2. CHANGES IN SECURITIES

In June 2004, the Company issued 13,975,000 shares of common stock to various consultants for services rendered. These shares were registered on a Form S-8 Registration Statement.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- a) Exhibits - None.
- b) Reports on Form 8-K

There were no reports on Form 8-K filed during the quarter for which this report is filed.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

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MICRO BIO-MEDICAL WASTE SYSTEMS, INC.

By /s/ Charles Smith

Charles Smith, CEO, CFO

Date: August 19, 2004