US BIODEFENSE INC
Form 10KSB/A
February 11, 2008

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

FORM 10-KSB/A

[X]	ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2006
[ ]	TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934FOR THE TRANSITION PERIOD FROM __________ TO_________

Commission File No. 000-31431

US BIODEFENSE, INC.
(Exact name of issuer as specified in its charter)

Utah	33-0052057
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
300 State Street East, Suite 226 Oldsmar, Florida	34677
(Address of principal executive offices)	(Zip code)

Issuer's telephone number, including area code: (727) 417-7807

Securities Registered Pursuant to Section 12(b) of the Exchange Act: None.

Title of each class	Name of each exchange on which registered

Securities Registered Pursuant to Section 12(g) of the Exchange Act:

COMMON
(Title of class)

(Title of class)

Check whether the issuer (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. [X] Yes [ ] No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will 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 revenue for its most recent fiscal year was $449,836.

The Company's common stock is listed on the Over-the-Counter Bulletin Board under the stock ticker symbol "UBDE." The aggregate market value of the voting and non-voting common equity held by non-affiliates, based upon the closing price of UBDE's common stock on March 13, 2007, was $270,639.

The number of shares outstanding of each of the issuer's classes of common equity, as of November 30, 2006 was 39,059,047.

DOCUMENTS INCORPORATED BY REFERENCE

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-KSB (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ("Securities Act"). The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1990).

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

EXPLANATORY NOTE

We are filing this amendment to our Annual Report of Form 10-KSB for the year ended November 30, 2006 to amend financial statements and the other information for the years 2006 and 2005. The amendment corrects our financials to include information on stockholders' equity through November 30, 2006. The amendment did not have any material impact on our 2006 financial results.

We believe the amendment will not materially impact our 2006 financial results. Our management has discussed the subject matter giving rise to this conclusion with Gruber & Company, LLC, our independent accounting firm for the fiscal year ended November 30, 2006.

FORWARD LOOKING STATEMENTS

This Annual Report contains forward-looking statements about our business, financial condition and prospects that reflect our management's assumptions and beliefs based on information currently available. We can give no assurance that the expectations indicated by such forward-looking statements will be realized. If any of our assumptions should prove incorrect, or if any of the risks and uncertainties underlying such expectations should materialize, our actual results may differ materially from those indicated by the forward-looking statements.

The key factors that are not within our control and that may have a direct bearing on operating results include, but are not limited to, acceptance of our services, our ability to expand our customer base, managements' ability to raise capital in the future, the retention of key employees and changes in the regulation of our industry.

There may be other risks and circumstances that management may be unable to predict. When used in this Report, words such as, "believes," "expects," "intends," "plans," "anticipates," "estimates" and similar expressions are intended to identify and qualify forward-looking statements, although there may be certain forward-looking statements not accompanied by such expressions.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

Business Development

We were incorporated in the State of Utah on June 29, 1983, under the name Teal Eye, Inc. We merged with Terzon Corporation and changed our name to Terzon Corporation in 1984. We subsequently changed our name to Candy Stripers Candy Corporation. We were engaged in the business of manufacturing and selling candy and gift items to hospital gift shops across the country. We were traded on the Over-the-Counter Bulletin Board for several years. In 1986 we ceased the candy manufacturing operations and filed for Chapter 11 Bankruptcy protection. After emerging from Bankruptcy in 1993, we remained dormant until January 1998, when we changed our name to Piedmont, Inc. On May 13, 2003, we filed an amendment to our Articles of Incorporation to change our name from Piedmont, Inc. to US Biodefense, Inc.

On August 7, 2006, we completed the acquisition of Emergency Disaster Systems, Inc., a California corporation incorporated on July 19, 2006. EDS is engaged in the business of disaster mitigation and emergency preparedness. We purchased a 100% interest in EDS for an aggregate of $25,000 in cash. The EDS system, encompassing CERT bags, containers and cabinets was initially designed and originated by Charles Wright in 1989 to provide earthquake preparedness supplies to communities in California. EDS currently serves Emergency Medical Services and mass casualty rapid response systems, as well as local communities, government agencies and Fortune 500 companies with innovative emergency preparedness technology, systems and services. Charles Wright, with his 18 years of experience, currently serves as Vice President and Director of Emergency Disaster Systems, Inc., our wholly-owned subsidiary.

Business of Issuer

Principal Products and Principal Markets

We plan to evaluate the economic potential of new biological technologies as we discover them. We are not in the business of researching and developing such technologies ourselves. US Biodefense plans to license intellectual property from researchers or organizations to evaluate its commercial feasibility. We plan to develop relationships with universities and private entities to utilize research facilities and manpower to appraise the marketability of the technologies. In the event a technology is found to have viable commercial applications, we will seek third-parties to manufacture items for sale to government and corporate customers. We will rely on marketing, distribution and co-promotion agreements for the dissemination of the items produced.

During the year ended November 30, 2006, we impaired various licenses related to our stem cell research operations. This impairment was due to the resignation of our stem cell research department head and our inability to engage a replacement. As a result, we do not intend to continue to pursue stem cell research initiatives. However, we do intend to continue to evaluate additional biological research programs for the possibility of commercialization.

Our primary source of revenues is derived from our emergency disaster preparedness subsidiary, Emergency Disaster Systems, Inc., which we acquired in August 2006. EDS provides mitigation services, emergency preparedness, and first response products to communities, government agencies, corporations and healthcare organizations. The basic kits contain a three-day supply of food and water rations, in addition to first aid, lighting, hygiene and personal care items and can be scaled for individual use or for a family. EDS also sells a stand-alone emergency radio siren product. We believe these items help mitigate a person’s vulnerability to disasters such as fires, floods and earthquakes.

Distribution Methods of Our Products

We primarily use a direct sales approach to sell our products. Sales personnel are in direct contact with existing customers to encourage recurring purchases. To attract new customers, we primarily rely upon word-of-mouth referrals, as well as conduct, support or attend community outreach events to generate awareness of our brand and product offerings. In addition to our direct sales efforts, we have established a website at www.EDisasterSystems.com as an e-commerce website for consumers to purchase our disaster preparedness products.

Competitive Business Conditions and the Issuer’s Competitive Position

Our business is highly competitive. We have a large number of competitors, all of which have been established longer and have substantially greater financial resources and larger technical staffs. We also compete with specialized entities that are able to concentrate their resources on particular areas.

We compete on the basis of technical expertise, management and marketing abilities and price. Our continued success is dependent upon our ability to hire and retain highly qualified scientists, engineers, technicians, management and professional personnel who will provide superior service and performance on a cost-effective basis.

Dependence on one or a few major customers

Sales to Toyota, a major customer totaled $114,784 for the year ended November 30, 2006, representing 25.5% of total sales and 35% of sales of tangible products. Sales to Kaiser Permanente, a major customer totaled $48,583, representing 10.8% of total sales and 14.8% of sales of tangible products. Emergency Disaster Systems also participated in a fundraiser with KABC Radio Station with sales of $124,754 for the year ended November 30, 2006, representing 27.7% of total sales and 38% of sales of tangible products.

Need for Government Approval

As part of our strategy, we will be dependent upon contracts from U.S. government agencies. All U.S. government contracts and subcontracts may be modified, curtailed or terminated at the convenience of the government if program requirements or budgetary constraints change. If a contract is terminated for convenience, we will be generally reimbursed for our allowable costs, as determined by the government through the date of termination and will be paid a proportionate amount of the stipulated profit or fee attributable to the work actually performed. Contract and program modifications, curtailments or terminations may have a material adverse effect on our operations.

In addition, the U.S. government may terminate a contract for default. A termination could have a significant adverse impact on our business and reputation. If a contract is terminated for default, we may be unable to recover amounts billed or billable under the contract and may be liable for other costs and damages.

Effect of existing or probable government regulations

The terrorist attacks of September through November 2001 in the United States changed political and budgetary attitudes towards bioterrorism threats. We believe that the U.S. government has recognized that it must provide incentives for private industry to develop and manufacture biodefense products. On October 1, 2003, Congress passed the Department of Homeland Security Appropriations Act, 2004 which includes $5.6 billion over a 10-year period for the purchase of medical countermeasures against bioterrorist attacks. The HSAA allows up to $885 million of this to be spent in fiscal year 2004 and a maximum of $3.4 billion through fiscal year 2008. These purchases are expected to commence in the government’s 2004 fiscal year, which began on October 1, 2003.

In January 2003, President Bush announced Project BioShield with the intention of accelerating the availability of effective countermeasures against bioterrorism. If passed, Project BioShield would increase the NIH’s authorities and flexibility to facilitate the development of new products for biodefense, establish a U.S. Food and Drug Administration ("FDA") emergency use authorization and provide an efficient mechanism for biodefense vaccine purchase. In July 2003, the U.S. House of Representatives passed the Project BioShield legislation by a vote of 421-to-2. The legislation is pending approval in the U.S. Senate.

The technology we are evaluating, if deemed commercially viable, will be subject to federal regulation in the United States, principally by the FDA under the Federal Food, Drug, and Cosmetic Act, and by state and local governments, as well as regulatory and other authorities in foreign governments. Such regulations govern or influence, among other things, the testing, manufacture, safety and efficacy requirements, labeling, storage, record keeping, licensing, advertising, promotion, distribution and export of products, manufacturing and the manufacturing process. In many foreign countries, such regulations also govern coverage and the prices charged for products under their respective national social security systems. The potential resultant products we seek to bring to market will be considered biological drug products. Biologics are subject to rigorous regulation by the FDA in the United States and similar regulatory bodies in other countries. This process is lengthy and we may not be able generate revenues in the event any potential biologic application is denied.

Amount spent during each of the last two fiscal years on research and development

We do not conduct research and development activities in-house. We contract with third-party laboratories and research facilities to conduct significantly all of our research and development activities. As a result, we have incurred a total of $95,296 in research and development related expenses over the past two fiscal years.

Employees

We currently employ a total of 9 full- and 4 part-time employees. We believe that the addition of employees is not required over the next 12 months.

Reports to Security Holders

AnnualReports

We intend to furnish our shareholders with audited annual financial reports certified by our independent registered public accountants, and may, in our discretion, furnish unaudited quarterly financial reports.

Periodic Reports with the SEC

We are a reporting issuer with the Securities and Exchange Commission. We file annual reports on Form 10-KSB, quarterly reports on Form 10-QSB, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended as required to maintain the fully reporting status.

Availability of Filings

You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20002. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings will be available on the SEC Internet site, located at http://www.sec.gov.

Risk Factors

We may not be able to attain profitability without additional funding, which may be unavailable.

We have limited capital resources. To date, we have funded our operations from the sale of equity securities and have generated limited cash from operations. Unless we begin to generate sufficient recurring revenues to finance operations as a going concern, we may experience liquidity and solvency problems. Such liquidity and solvency problems may force us to go out of business if additional financing is not available. No alternative sources of funds are available to us in the event we are unable to locate adequate capital.

Our independent registered public accountants have qualified their report to express substantial doubt about our company's ability to continue as a going concern.

As of the date of this annual report, we have an accumulated deficit in the amount of $4,055,105. Taking this fact into account, our independent registered public accountants have expressed substantial doubt about our ability to continue as a going concern in their report to the financial statements included in this annual report. If our business fails, you may face a complete loss of your investment.

We do not have any facilities appropriate for clinical testing, we lack significant manufacturing experience and we have very limited sales and marketing personnel. We are currently dependent upon our acquiring licenses from others for several of these functions and will likely remain dependent upon others for these functions.

We do not have a manufacturing facility that can be used for production of our products. In addition, at this time, we have very limited sales and marketing personnel. In the course of our development program, we will likely be required to enter into additional arrangements with other companies or universities or clinical investigators for our animal testing, human clinical testing, manufacturing, and sales and marketing activities. If we are unable to retain third parties for these purposes on acceptable terms, we may be unable to successfully develop, manufacture and market our proposed products. Our dependence on third parties for the development, manufacture, sale and marketing of our products also may adversely affect our profit margins.

Product development efforts may not yield marketable products due to results of studies or trials, failure to achieve regulatory approvals or market acceptance, proprietary rights of others or manufacturing issues.

Our success depends on our ability to identify commercial applications, successfully develop and obtain regulatory approval to market new biopharmaceutical products. We expect that a significant portion of the technology that we will evaluate will involve new and unproven technologies. Our potential products may appear to be promising at various stages of development yet fail to reach the market for a number of reasons, including the:

1. lack of adequate quality or sufficient prevention benefit, or unacceptable safety during pre-clinical studies or clinical trials;
2. failure to receive necessary regulatory approvals;
3. existence of proprietary rights of third parties; or
4. inability to develop manufacturing methods that are efficient, cost-effective and capable of meeting stringent regulatory standards.

We will be significantly dependent upon contracts with the U.S. government. If we are unable to obtain contracts to supply the U.S. government, we may not be able to continue our business.

The process of obtaining U.S. government contracts is lengthy and uncertain and we must compete for each contract. Moreover, the award of one government contract does not necessarily secure the award of future contracts covering the same vaccine. We cannot be certain that we will be awarded any future contracts with the U.S. government. We currently have no products to sell. However, upon commencement of our operations, of which we cannot assure you, if we are unable to obtain contract awards to supply our products to the U.S. government, our business will be harmed and it is unlikely that we will be able to ultimately commercialize any particular vaccine.

Political or social factors may delay or impair our ability to market vaccine products.

Products developed to treat diseases caused by or to combat the threat of bioterrorism will be subject to changing political and social environments. The political and social responses to bioterrorism have been highly charged and unpredictable. Political or social pressures may delay or cause resistance to bringing our products to market or limit pricing of our products, which would harm our business.

Because of competitive pressures from competitors with more resources we may fail to implement our business model profitably.

We are entering a highly competitive market segment. Our expected competitors include several larger and more established companies in the biodefense and pharmaceutical industries. Generally, our actual and potential competitors have substantially greater capital resources, larger research and development staffs and facilities, greater experience in drug development and in obtaining regulatory approvals, and greater marketing capabilities than we do. Our competitors include fully integrated pharmaceutical companies and biotechnology companies that currently have drug and target discovery efforts, as well as universities and public and private research institutions. Our commercial opportunities will be reduced or eliminated if our competitors develop and market products that we target. Researchers are continually learning more about diseases, which may lead to new technologies for treatment. Our competitors may succeed in developing and marketing products either that are more effective than those that we may develop, alone or with our collaborators, or that are marketed before any products we develop are marketed.

Failure to hire and retain key management employees could adversely affect our ability to obtain financing, develop our products, conduct clinical trials or execute our business strategy.

We are highly dependent on our senior management. These individuals have played a critical role in raising capital and negotiating business development opportunities. If we lose the services of any key members of senior management and we are unable to recruit qualified replacements where we deem it necessary, we may be unable to achieve our business objectives.

Our management is involved with other business activities, which could reduce the time they allocate to our operations.

Our operations depend substantially on the skills and experience of Mr. David Chin, our President. Mr. Chin is involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, Mr. Chin may face a conflict in selecting between US Biodefense and his other business interests. We have not formulated a policy for the resolution of such conflicts.

Our stock is a speculative investment that may result in losses to investors.

The trading price of our common stock is subject to wide fluctuations in response to various events or factors, many of which are beyond our control. In addition, the stock market may experience extreme price and volume fluctuations, which, without a direct relationship to the operating performance, may affect the market price of our stock.

ITEM 2. DESCRIPTION OF PROPERTY

Description of Property

US Biodefense, Inc. has its headquarters in California. We lease an approximately 6,012 square foot office and warehouse space located at 375 South 6th Avenue, City of Industry, CA 91746 at a rate of $6,290 per month. This lease expires in April 2009. There are currently no proposed programs for the renovation, improvement or development of the facilities we currently use. We believe that this arrangement is suitable given the nature of our current operations, and also believe that we will not need to lease additional administrative offices for at least the next 12 months.

Investment Policies

Our management does not currently have policies regarding the acquisition or sale of real estate assets primarily for possible capital gain or primarily for income. We do not presently hold any investments or interests in real estate, investments in real estate mortgages or securities of or interests in persons primarily engaged in real estate activities.

ITEM 3. LEGAL PROCEEDINGS

No director, officer, significant employee or consultant of US Biodefense, Inc. has been convicted in a criminal proceeding, exclusive of traffic violations.

No director, officer, significant employee or consultant of US Biodefense, Inc. has been permanently or temporarily enjoined, barred, suspended, or otherwise limited from involvement in any type of business, securities or banking activities.

No director, officer, significant employee or consultant of US Biodefense, Inc. has been convicted of violating a federal or state securities or commodities law.

We are not a party to any pending legal proceedings.

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

None.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market information

The Company’s common stock is currently traded on the Over-the-Counter Bulletin Board under the stock ticker symbol “UBDE.” The following table sets forth the monthly high and low prices for the Company's common stock on the OTCBB® for each quarter of the last two fiscal years:

Quarter Ended	High	Low
November 30, 2006	$ 0.15	$ 0.40
August 31, 2006	$ 1.60	$ 0.04
May 31, 2006	$ 4.28	$ 1.50
February 28, 2006	$ 4.40	$ 1.85
November 30, 2005	$ 5.00	$ 2.50
August 31, 2005	$ 5.25	$ 4.00
May 31, 2005	$ 6.40	$ 4.00
February 28, 2005	$13.33	$ 6.33

OTCBB® quotations of the Company’s Common Stock reflect inter-dealer prices, without retail mark-ups, markdowns or commissions, and may not necessarily represent actual transactions.

Shares Available Under Rule 144

As of November 30, 2006, there were 29,292,119 shares of common stock that are considered restricted securities under Rule 144 of the Securities Act of 1933. Of the 29,292,119 restricted shares issued and outstanding, 27,292,119 shares are held by David Chin, an affiliate, as that term is defined in Rule 144(a)(1).

In general, under Rule 144 as amended, a person who has beneficially owned and held "restricted" securities for at least one year, including "affiliates," may sell publicly without registration under the Securities Act, within any three-month period, assuming compliance with other provisions of the Rule, a number of shares that do not exceed the greater of (i) one percent of the common stock then outstanding or, (ii) the average weekly trading volume in the common stock during the four calendar weeks preceding such sale. A person who is not deemed an "affiliate" of our Company and who has beneficially owned shares for at least two years would be entitled to unlimited resales of such restricted securities under Rule 144 without regard to the volume and other limitations described above.

Holders

As of the date of this prospectus, we have approximately 39,059,047 shares of $0.001 par value common stock issued and outstanding held by approximately 170 stockholders of record.

Dividends

We have never declared or paid any cash dividends on our common stock. For the foreseeable future, we intend to retain any earnings to finance the development and expansion of our business, and we do not anticipate paying any cash dividends on our common stock. Any future determination to pay dividends will be at the discretion of the Board of Directors and will be dependent upon then existing conditions, including our financial condition and results of operations, capital requirements, contractual restrictions, business prospects, and other factors that the board of directors considers relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides the following information as of November 30, 2006, for equity compensation plans previously approved by security holders, as well as those not previously approved by security holders:

1. The number of securities to be issued upon the exercise of outstanding options, warrants and rights;
2. The weighted-average exercise price of the outstanding options, warrants and rights; and
3. Other than securities to be issued upon the exercise of the outstanding options, warrants and rights, the number of securities remaining available for future issuance under the plan.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance (c)
Equity compensation plans approved by security holders	-	-	-
Equity compensation plans not approved by security holders	10,000,000	$0.04	3,245,000
Total	10,000,000	$0.04	3,245,000

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Overview

We were incorporated in the State of Utah on June 29, 1983, under the name Teal Eye, Inc. We merged with Terzon Corporation and changed our name to Terzon Corporation in 1984. We subsequently changed our name to Candy Stripers Candy Corporation. We were engaged in the business of manufacturing and selling candy and gift items to hospital gift shops across the country. We were traded on the Over-the-Counter Bulletin Board for several years. In 1986 we ceased candy manufacturing operations and filed for Chapter 11 Bankruptcy protection. After emerging from Bankruptcy in 1993, we remained dormant until January 1998, when we changed our name to Piedmont, Inc. On May 13, 2003, we filed an amendment to our Articles of Incorporation to change our name from Piedmont, Inc. to US Biodefense, Inc. We are a registered government contractor with the Department of Defense Logistics Agency that is focused on designing and developing homeland security and biodefense products.

On August 7, 2006, we completed the acquisition of Emergency Disaster Systems, Inc., a California corporation incorporated on July 19, 2006. EDS is engaged in the business of disaster mitigation and emergency preparedness. We purchased a 100% interest in EDS for an aggregate of $25,000 in cash. The EDS system, encompassing CERT bags, containers and cabinets was initially designed and originated by Charles Wright in 1989 to provide earthquake preparedness supplies to communities in California. EDS currently serves Emergency Medical Services and mass casualty rapid response systems, as well as local communities, government agencies and Fortune 500 companies with innovative emergency preparedness technology, systems and services. Charles Wright, with his 18 years of experience, currently serves as Vice President and Director of Emergency Disaster Systems, Inc., our wholly-owned subsidiary.

Results of Operations

Revenues

Our revenues are derived primarily from three sources: sales of tangible products, services and related parties. Sales of tangible products are attributable solely to Emergency Disaster Systems, Inc., our wholly-owned subsidiary that we acquired on August 7, 2006. Revenue from services is derived from the recognition of deferred revenues from stock received in advance for services to be performed by us to Diamond I. Finally, revenue from related parties is solely from our October 15, 2005 contract with Financialnewsusa.com, a related party, to provide biodefense-related industry news and information to them in exchange for $40,000, for which we were paid in advance the entire balance of the contract.

During the fiscal year ended November 30, 2006, we generated aggregate revenues of $449,836, compared to total revenues of $159,166 during the year ended November 30, 2005. This 183% increase, or $290,670, is materially attributable to the acquisition of EDS in the third quarter of 2006, which contributed $328,169 in revenues from sales of tangible products during the year ended November 30, 2006, as opposed to $0 in the year ended November 30, 2005.

Revenues from services realized during the year ended November 30, 2006 were $50,000, all of which is related to our arrangement to identify technology commercialization opportunities for Diamond I to research universities, government laboratories and third member private parties. In the year ended November 30, 2005, revenues from services amounted to $25,000, all of which was also due to our agreement with Diamond I. The increase in revenues from services compared year-over-year can be ascribed to the recognition of revenues over a twelve month period in 2006 and for only a six month period in the year ended November 30, 2005.

For the year ended November 30, 2006, $71,667 in revenues has been recognized from our agreement with Financialnewsusa.com, a related party, to which we provided biodefense-related industry news and information to Financialnewsusa.com. During the year ended November 30, 2005, we generated $134,166 in revenues from related parties. We believe the substantial decrease of $62,499, or approximately 46.6%, is due to softening market demand for biodefense-related news and information.

Gross Profit

In association with sales of tangible products related specifically to our EDS operations, we incurred cost of goods sold in the amount of $135,738 during the year ended November 30, 2006. This amount represents a margin of approximately 41.4% on sales of tangible products, and a gross margin of 30.2% on total revenues. After factoring cost of goods sold, our gross profit was $314,098 during the year ended November 30, 2006. In the year ended November 30, 2005, we did not incur any cost of goods sold, as we did not sell any tangible items. As a result, our gross profit for the year ended November 30, 2005, was $159,166.

Expenses

Total expenses for the year ended November 30, 2006 were $537,443. In the year ended November 30, 2005, we incurred total expenses of $195,572. Aggregate expenses increased approximately 175%, or $341,871, due primarily to our incurring expenses during the year ended November 30, 2006 not previously incurred in the year ended November 30, 2005. These expenses include general and administrative expenses paid to related parties, stock issued for consulting services and impairment of assets.

We paid related parties a total of $3,500 during the year ended November 30, 2006 for miscellaneous expenses, such as professional fees, expense reimbursements and other general costs. In the year ended November 30, 2005, we did not incur any related party expenses.

Another expenditure that we did not have in the year ended November 30, 2005 that we recognized in the most recent year ended November 30, 2006 is stock issued for consulting services, which totaled $270,200. This expense resulted from our issuing an aggregate of 6,755,000 shares of our common stock at prices per shares of $0.04 at various times during the fiscal year ended November 30, 2006. We did not issue any stock for consulting services during the 2005 fiscal year.

During the year ended November 30, 2006, we impaired $22,500 of assets related to our intellectual property licenses. As of August 31, 2006, we determined that the value of the licenses had become impaired since we were no longer pursuing stem cell research. This determination was based on the resignation of the head of our stem cell research department and the inability to locate a replacement at an economically feasible compensation package. In addition to the decreased pursuit of stem cell research, our research and development costs have decreased substantially by $63,125, or 66%, to $32,171 in the year ended November 30, 2006 from $95,296 during the year ended November 30, 2005.

In addition to the rise of expenses not previous incurred, general and administrative expenses increased 108% year over year from $100,276 in 2005 to $209,072 in 2006. Our management believes the rise in these expenditures are correlated with our increased business activities and ongoing pursuit of our business objectives. General and administrative expenses mainly consist of office expenditures such as postage and delivery fees, supplies and other similar miscellaneous items. We expect to continue to incur general and administrative expenses for the foreseeable future, although we cannot estimate the extent of these costs.

We expect to continue to incur expenditures in the foreseeable future related to ongoing research and development and the expansion of our business operations. As we continue to pursue research and development efforts, we expect expenses to stabilize over the next several years. Unfortunately, we cannot accurately estimate the extent or impact of ongoing expenses.

Losses

Our loss before accounting for income taxes totaled $223,345 for the year ended November 30, 2006, compared to a loss before income taxes of $36,406 in the prior period ended November 30, 2005. After the recovery of income taxes in the amount of $9,596 in the year ended November 30, 2006, our net loss from operations totaled $213,749. In the prior year ended November 30, 2005, we paid $9,596 in income taxes, thus our net loss for that period was $46,002. This represents a widening deficit of 365%, or $167,747, in a year-to-year comparison. Although we anticipate incurring ongoing operating losses, we expect these losses to narrow in year-to-year comparison as we generate increased revenues and as expenses begin to plateau over the next several years. However, we cannot guarantee the accuracy of our expectations.

Liquidity And Capital Resources

We have limited cash on hand, and may be unable to continue operations for the next 12 months if we are unable to generate revenues or obtain capital infusions by issuing equity or debt securities in exchange for cash. If we are unable to obtain capital through issuances of equity or debt, David Chin, a shareholder and President of our company, has verbally agreed to loan us cash, which shall bear no interest and be due upon demand. Through November 30, 2006, David Chin loaned us a total of $4,313 to pay for general and administrative expenses. The loan bears no interest and is due upon demand. As of November 30, 2005, the amount owed was $1,812. The full balance due was subsequently paid during the year ended November 30, 2006. We have no formal written agreement with Mr. Chin for any further loans, and we cannot guarantee that we will be able to enforce our verbal agreement. Notwithstanding this, there can be no assurance that we will be able to secure additional funds in the future to stay in business. Our principal accountants have expressed substantial doubt about our ability to continue as a going concern because we have limited operations.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on our revenues from continuing operations.

Our management does not anticipate the need to hire additional full- or part- time employees over the next 12 months, as the services provided by our officers and directors appear sufficient at this time. We believe that our operations are currently on a small scale that is manageable by a few individuals. While we believe that the addition of employees is not required over the next 12 months, we intend to hire independent contractors to perform research activities and market any potential products and services we may develop.

We do not have any off-balance sheet arrangements.

We currently do not own any significant plant or equipment that we would seek to sell in the near future.

We have not paid for expenses on behalf of any of our directors. Additionally, we believe that this fact shall not materially change.

ITEM 7. FINANCIAL STATEMENTS

The following documents (pages F-1 to F-13) form part of the report on the Financial Statements

Gruber & Company, LLC

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF
US BIODEFENSE, INC.

I have audited the accompanying consolidated balance sheets of US Biodefense, Inc. as of November 30, 2006 and 2005 and the related consolidated statements of operations, comprehensive income, stockholders' equity (deficit), cash flows, and comprehensive income for the years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that I 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 made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of US Biodefense, Inc. as of November 30, 2006 and 2005 and the consolidated results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

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 accompanying financial statements, the Company has no established source of revenue, which raises substantial doubt about its ability to continue as a going concern. Management's plan in regard to these matters is also discussed in Note 1. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Gruber & Company, LLC

St. Louis, Missouri
February 1, 2008

US Biodefense, Inc. and Subsidiaries
Balance Sheet

ASSETS	November 30, 2006	2005
Current assets		
Cash and cash equivalents	$ 22,663	$ 17,223
Marketable securities available for sale	73,000	150,000
Accounts receivable, net of allowance of $20,000	54,827	--
Inventory	75,355	--
Prepaid expenses	--	20,000
Total current assets	225,845	187,223
Property and equipment, net of accumulated depreciation of $59 and $-0- at November 30, 2006 and 2005	2,418	--
Customer list	7,500	--
Licenses	--	20,000
Deposits	1,000	1,000
Total assets	236,763	208,223
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Bank overdraft	--	3,947
Accounts payable and accrued expenses	19,278	79,167
Due to related parties	--	1,812
Accrued income taxes	--	9,596
Deferred revenues	25,000	101,667
Total current liabilities	44,278	196,189
Deferred taxes	--	19,150
Total liabilities	44,278	215,339
Stockholders' equity:		
Common stock 100,000,000 shares authorized, $.001 par value, 39,059,047 and 30,304,047 shares issued and outstanding	39,059	30,304
Additional paid in capital	4,235,531	3,773,086
Other comprehensive income (deficit)	(27,000)	30,850
Accumulated deficit	(4,055,105)	(3,841,356)
Total stockholders' equity (deficit)	192,485	(7,116)
Total liabilities and stockholders' equity (deficit)	$ 236,763	$ 208,223

See accompanying notes to financial statements

US Biodefense, Inc. and Subsidiaries
Statements of Operations
For the years ended November 30, 2006 and 2005

	2006	2005
Revenues		
Revenues from sales of tangible products	$ 328,169	$ --
Revenues from services	50,000	25,000
Revenues – Related parties	71,667	134,166
Total revenues	449,836	159,166
Cost of tangible products sold	135,738	--
	314,098	159,166
Expenses		
Research and development expenses	32,171	95,296
General and administrative expenses	209,072	100,276
General and administrative expenses – Related party	3,500	--
Stock issued for consulting services	270,200	--
Impairment of assets	22,500	--
Total expenses	537,443	195,572
Net income (loss)	(223,345)	(36,406)
Income taxes	9,596	(9,596)
	(213,749)	(46,002)
Weighted average number of shares outstanding	33,867,797	25,253,373
Basic and diluted net income (loss) per common share	$ (0.01)	$ (0.00)

See accompanying notes to financial statements

US Biodefense, Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended November 30, 2006 and 2005

Net loss	$ (213,749)	$ (46,002)
Unrealized income (loss) on securities held for resale, net of (inclusive of) income tax of $19,150	(57,850)	30,850
Total comprehensive income	$ (271,599)	$ (15,152)

See accompanying notes to financial statements

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US Biodefense, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity
For the years ended November 30, 2006 and 2005

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income	Total
Balance, November 30, 2003	10,101,349	$ 10,101	$ 3,793,289	$ (3,766,390)	$ ---	$ 37,000
Net loss for the year ended November 30, 2004	---	---	---	(28,964)	---	(28,964)
Balance, November 30, 2004	10,101,349	10,101	3,793,289	(3,795,354)		8,036
Three for one stock split	20,202,698	20,203	(20,203)			
Change in unrealized gain on available for sale securities, net of tax effects of $ 19,150					30,850	30,850

Net loss for the year ended November 30, 2005				(46,002)		(46,002)
Balance, November 30, 2005	30,304,047	$ 30,304	$ 3,773,086	$ (3,841,356)	$ 30,850	$ (7,116)
Stock issued for cash	2,000,000	2,000	198,000			200,000
Stock issued for consulting services	6,755,000	6,755	263,445			213,350
Capitalization of acquired company			1,000			
Change in unrealized gain on available for sale securities, inclusive of tax effects of $ 19,150					(57,850)	
Net loss for the year ended November 30, 2006				(213,749)		(213,749)
Balance, November 30, 2006	39,059,047	$ 39,059	$ 4,235,531	$ (4,055,105)	$ (27,000)	$ 192,485

See accompanying notes to financial statements.

US Biodefense, Inc. and Subsidiaries
Consolidated Statement of Cash Flows
For the years ended November 30, 2006 and 2005

	2006	2005
Cash flows from operating activities:		
Net income (loss)	$ (213,749)	$ (46,002)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	59	--
Impairment of assets	22,500	--
Consulting services received by receipt of stock	(50,000)	(25,000)
Stock issued for consulting services	270,200	--
Provision for bad debts	20,000	--
Forgiveness of debt	(79,167)	--
Changes in operating assets and liabilities:		
Accounts receivable	(74,827)	--
Inventory	(75,355)	--
Prepaid expenses	20,000	(20,000)
Bank overdraft	(3,947)	3,947
Accounts payable and accrued expenses	9,682	78,791
Accrued income taxes	--	9,596
Deferred revenues	(26,667)	5,834
Net cash (used for) provided by operating activities	(181,271)	7,166
Cash flows from financing activities		
Principal advance from (repayment to) related party	(1,812)	(2,501)
Proceeds from sale of common stock	201,000	--
Total cash flows from financing activities	199,188	(2,501)
Cash flows used for investing activities		
Increase in deposit	--	(1,000)
Purchase of customer list	(7,500)	--
Purchase of license	(2,500)	(20,000)
Purchase of equipment	(2,477)	--
Total cash flows from (used for) investing activities	(12,477)	(21,000)
Increase (decrease in) cash and cash equivalents	5,440	(16,335)
Cash and cash equivalents, beginning of year	17,223	33,558
Cash and cash equivalents, end of year	$ 22,663	$ 17,223
Income taxes paid	$ ---	$ ---

Interest expense paid	---	---

Supplemental schedule of noncash investing activities:

The Company acquired 5,000,000 shares of restricted stock on May 11, 2005 in exchange for services to be rendered. The Company recorded the stock at market price on the acquisition date of $100,000 as deferred revenue. At November 30, 2005, the fair value of the stock was $150,000. The Company included the increase in fair value as other comprehensive income, net of the related income taxes of $19,150, or $30,850. Income included on the statement of income for the year ended December 31, 2005 for services rendered totaled $25,000.

The components of this transaction are as follows:	Assets	Liabilities and Equity
Fair value of assets acquired	$ 100,000	
Deferred revenues recognized		(100,000)
Unrealized gain recognized and included as other comprehensive income	50,000	(50,000)
Related income tax consequences		
Revenues recognized during the year ended October 31, 2005	(25,000)	25,000

See accompanying notes to financial statements.

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US Biodefense, Inc.
Notes to Financial Statements

Note 1 - Background and Summary of Significant Accounting Policies

Background

US Biodefense, Inc. (the "Company"), a Utah corporation is headquartered in the City of Industry, California. The Company is a registered government contractor with the Department of Defense Logistics Agency. The Company is focused on designing and developing homeland security and biodefense products and stem cell research.

The Company was originally incorporated under the name Teal Eye, Inc. in the state of Utah on June 29, 1983. The Company then merged with Terzon Corp. and amended its Articles of Incorporation to change the name to Terzon Corp. On September 7, 1984, the Company amended its Articles of Incorporation changing its name to Candy Stripers Corporation, Inc. On January 6, 1998, the Company amended its Articles of Incorporation changing its name to Piedmont, Inc. On May 31, 2003, the Company amended its Articles of Incorporation and changed its name to US Biodefense, Inc.

The accompanying financial statements for the year ended November 30, 2006, include the accounts of the Company and its wholly-owned subsidiary Emergency Disaster Systems, Inc. All significant intercompany transactions and balances have been eliminated.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company incurred a net loss for the twelve months ended November 30, 2006 of $213,749 and at November 30, 2006, had an accumulated deficit of $4,055,105. In addition, the Company generates minimal revenue from its operations. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of recorded asset amounts, or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Management plans to take the following steps that it believes will be sufficient to provide the Company with the ability to continue in existence.

Management intends to raise financing through the issuance of its common stock or other means and interests that it deems necessary, with a view to moving forward with the development of the emergency preparedness, homeland security and biodefense products.

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 reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, prepaid expenses, accounts payable and deferred revenues, the carrying amounts approximate fair value due to their short maturities.

Revenue Recognition

The Company recognizes revenue from the sale of products, and from the performance of services to both related and non-related parties. The Company recognizes revenue from the sale of products on the gross amount charged basis. Under this method of recording the sale of products, the cost of goods sold reflects the cost of the goods sold to the customer plus the Company's cost of executing the transaction. The Company has chosen this method since it takes ownership of the products that it purchases for resale and assumes the risks and rewards of ownership of the goods.

For sale of products, revenue is generally recognized when persuasive evidence of an arrangement exists, delivery has occurred, the contract price is fixed or determinable, title and risk of loss has passed to the customer and collection is reasonably assured. The Company's sales are typically not subject to rights of return and, historically, sales returns have not been significant.

Revenues from services are recognized upon provision of services to the customer. Unearned service revenue is deferred and recognized ratably over the duration of the service term.

Accounts receivable of the Company are reviewed to determine if their carrying value has become impaired. The Company considers the assets to be impaired if the balances are greater than six months old. Management regularly reviews accounts receivable and will establish an allowance for potentially uncollectible amounts when appropriate. When accounts are written off, they will be charged against the allowance. Receivables are not collateralized and do not bear interest.

Concentration of Credit Risk

Financial instruments which subject the Company to concentrations of credit risk include cash and cash equivalents.

The Company maintains its cash in well-known banks selected based upon management's assessment of the bank's financial stability. Balances may periodically exceed the $100,000 federal depository insurance limit; however, the Company has not experienced any losses on deposits. The Company extends credit based on an evaluation of the customer's financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses, as required.

Cash Equivalents

For purposes of reporting cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalent.

US Biodefense, Inc.
Notes to Financial Statements

Inventory

Inventory is stated at the lower of cost or market. Inventory consists of purchased items held for resale. Inventory will be monitored by Company management for excess and obsolete items, and will make the necessary valuation adjustment when required.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which is generally 3 to 10 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company will periodically evaluate whether events and circumstances have occurred that may warrant revision of the estimated useful lives of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. We use an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive income and its components in the financial statements. For the years ended November 30, 2006 and 2005, the Company has items that represent other comprehensive income, and accordingly, has included a schedule of comprehensive income in the financial statements.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs totaled $399 and $0 for the years ended November 30, 2006 and 2005.

Shipping and Handling

Costs incurred by the Company for shipping and handling are included in costs of revenues.

Income Taxes

The Company accounts for income taxes under SFAS 109, "Accounting for Income Taxes." Under the asset and liability method of SFAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Loss per Share

In accordance with SFAS No. 128, "Earnings Per Share," the basic income / (loss) per common share is computed by dividing net income / (loss) available to common stockholders by the weighted average number of common shares outstanding. Diluted income per common share is computed similar to basic income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of November 30, 2006 and 2005, the Company does not have any equity or debt instruments outstanding that can be converted into common stock.

Stock-Based Compensation

Effective January 1, 2006, the Company prospectively adopted FAS 123R, Stock-Based Payments, and related Securities and Exchange Commission rules included in Staff Accounting Bulletin No. 107. Under this method, compensation cost recognized beginning January 1, 2006 will include costs related to all share-based payments granted subsequent to December 31, 2005 based on the grant-date fair value estimated in accordance with the provisions of FAS 123R. Compensation cost for stock options granted to employees is recognized ratably over the vesting period.

Prior to January 1, 2006, the Company measured compensation cost for stock-based employee compensation plans using the intrinsic value method of accounting as prescribed in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations. For non-employee stock-based compensations, the Company recognizes expense in accordance with FAS 123 and values the equity securities based on the fair value of the security on the date of grant.

Recent Accounting Pronouncements

In December 2004, the FASB issued SFAS No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"). SFAS 123R will provide investors and other users of financial statements with more complete and neutral financial information by requiring that the compensation costs relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. SFAS 123R covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. SFAS 123R replaces SFAS No. 123, "Accounting for Stock-Based Compensation", and supercedes APB Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS 123, as originally issued in 1995, established as preferable a fair-value-based method of accounting for share-based payment transactions with employees. However, that statement permitted entities the option of continuing to apply the guidance in Opinion 25, as long as the footnotes to financial statements disclosed what net income would have been had the preferable fair-value based method been used. Public entities (other than those filing as small business issuers) will be required to apply SFAS 123R as of the first interim or annual reporting period that begins after June 15, 2005. The Company has evaluated the impact of the adoption of SFAS 123R and does not believe the impact will be significant to the Company's overall results of operations or financial position.

In March 2005, the SEC issued guidance on FASB SFAS 123R, "Share-Based Payments" ("SFAS No. 123R"). Staff Accounting Bulletin No. 107 ("SAB 107") was issued to assist preparers by simplifying some of the implementation challenges of SFAS No. 123R while enhancing the information that investors receive. SAB 107 creates a framework that is premised on two themes: (a) considerable judgment will be required by preparers to successfully implement SFAS no. 123R, specifically when valuing employee stock options; and (b) reasonable individuals, acting in good faith, may conclude differently on the fair value of employee stock options. Key topics covered by SAB 107 include (a) valuation models - SAB 107 reinforces the flexibility allowed by SFAS No. 123R to choose an option-pricing model that meets the standard's fair value measurement objective; (b) expected volatility - SAB 107 provides guidance on when it would be appropriate to rely exclusively on either historical or implied volatility; and (c) expected term - the new guidance includes examples and some simplified approaches to determining the expected term under certain circumstances. The Company will apply the principles of SAAB 107 in conjunction with its adoption of SOFAS No. 123R.

In June 2005, the Emerging Issues Task Force (EITF)issued No. 05-06, "Determining the Abortinaction Period of Leasehold Improvements Acquired in a Business Combination"(EITF No. 05-06). EITF No. 05-06 provides that the amortization period for leasehold improvements acquired in a business combination or purchased after the inception of a lease to be the shorter of (a) the useful life of the assets or (b) a term that includes required lease periods and renewals that are reasonably assured upon the acquisition of the purchase. The guidance in EITF No. 05-06 will be applied prospectively and is effective for periods beginning afar June 29, 2005. The Company does not believe its adoption will have a material impact on its consolidated results of operations or financial position.

In June 2005, the Financial Accounting Standards Board ('FASB") issued SFAS No. 154, Accounting Changes and Error Corrections - a replacement of APB No. 20 and FAS No. 3" ("SFAS No. 154"). SFAS No. 154 provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle in the absence of explicit transition requirements specify to the newly adopted accounting principle. SFAS No. 154 also provides guidance for determining whether retrospective application of a change in a accounting principle is impracticalable. The correction of an error in previously issued financial statements is not an accounting change. However, the reporting of an error correction involves adjustments to previously issued financial statements similar to those generally applicable to reporting an accounting change retrospectively. Therefore, the reporting of a correction of an error by restating previously issued financial is also addressed by SFAS No. 154. SFAS No. 154 is required to be adopted in fiscal years beginning after December 15, 2005. The Company does not believe its adoption in fiscal year 2007 will have a material impact on its results of operations or financial position.

In February 2006, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 155, "Accounting for Certain Hybrid Instruments" (SFAS 155), which amends SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," and SFAS 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities." SFAS 155 allows financial instruments that have embedded derivatives to be accounted for as a whole (eliminating the need to bifurcate the derivative from its host) if the holder elects to account for the whole instrument on a fair value basis. SFAS 155 also clarifies and amends certain other provisions of SFAS 133 and SFAS 140. This statement is effective for all financial instruments acquired or issued in the fiscal years beginning after September 15, 2006. The Company does not expect its adoption of this new standard to have a material impact on the Company's financial position, results of operations or cash flows.

In March 2006, the FASB issued SFAS No. 156 "Accounting for Servicing of Financial Assets - an amendment of FASB Statement No. 140" ("SFAS 156"). This statement was issued to simplify the accounting for servicing assets and liabilities, such as those common with mortgage securitization activities. The statement addresses the recognition and measurement of separately recognized servicing assets and liabilities and provides an approach to simplify hedge-like (offset) accounting. SFAS 156 clarifies when an obligation to service financial assets should be separately recognized (as servicing asset or liability), requires initial measurement at fair value and permits an entity to select either the Amortization Method of the Fair Value Method. This statement is effective for fiscal years beginning after September 15, 2006. The Company does not expect adoption of this new standard to have a material impact on the Company's financial position, results of operations or cash flows.

In July 2006, the FASB issued interpretation No. 48, "Accounting for Uncertainity in Income Taxes," ("FIN 48"), which is effective for fiscal years beginning after December 15, 2006. FIN 48 clarifies the accounting for uncertainity in income taxes recognized in the financial statements in accordance with FASB Statement No. 109, "Accounting for Income Taxes." This interpretation prescribes a comprehensive model for how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. The Company does not expect that the implementation of FIN 48 will have a material impact on its financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective in fiscal years beginning after November 15, 2007. Management is currently evaluating the impact that the adoption of this statement will have on the Company's consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158 "Employers' Accounting for Defined Pension and Other Postretirement Plans." This Statement requires recognition of the funded status of a single-employer defined benefit postretirement plan as an asset or liability in its statement of financial position. Funded status is determined as the difference between the fair value of plan assets and the benefit obligation. Changes in that funded status should be recognized in other comprehensive income. This recognition provision and the related disclosures are effective as of the end of the fiscal year ending after December 15, 2006. The Statement also requires the measurement of plan assets and benefit obligations as of the date of the fiscal year-end statement of financial position. This measurement provision is effective for fiscal years ending after December 15, 2008. The Company does not expect its adoption of this new standard to have a material impact on the Company's financial position, results of operations or cash flows.

On September 13, 2006 the Securities and Exchange Commission ("Sec") issued Staff Accounting Bulletin No. 108 ("SAB 108") which provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in quantifying a current year misstatement. SAB 108 is effective for fiscal years ending after November 15, 2006. The Company does not expect this pronouncement to have a material impact on the Company's financial statements.

US Biodefense, Inc.
Notes to Financial Statements

Note 2 - Marketable Securities Available For Sale

On May 11, 2005, the Company entered into an agreement with a Partner. The Company will assist the Partner in identifying opportunities for commercialization of their listed technologies, while maintaining the confidentiality of the Partner.

As compensation for providing these services, the Partner gave the Company 5,000,000 shares of Section 144 stock which is restricted from sale for twelve months from date of issue, May 11, 2005. The agreement is for a period of twenty four months.

The Company recorded the stock at the value of the services to be provided which is estimated to be $100,000. The Company recorded revenue for the six month period from May through November, 2005 in the amount of $25,000, and $50,000 for the year ended November 30, 2006. The balance of $25,000 is included as deferred revenues on the balance sheet.

The Company has adopted SFAS 130 as required by the Financial Accounting Standards Board. SFAS 130 requires that securities that are available for sale be presented at market value on the balance sheet date. Unrealized gains and losses are recognized as a separate component of stockholders' equity. The specific identification method is used in calculating realized gains and losses. SFAS 30 also requires a statement of comprehensive income which adjusts net income for the unrealized activity. At November 30, 2005, the fair market value of common equity securities with a cost of $100,000 was $73,000. The unrealized loss of $27,000, is included as a component of other comprehensive income.

Note 3 - Licenses

The Company has agreed to exercise options to license stem cell technology through the University of British Columbia under two option agreements.

Having passed the initial validation phase, the Company is working toward a full licensing relationship and will begin pre-clinical analysis of how the cell line can be utilized. The Company is considering investigating the stem cells applications in combating ALS and Parkinson's disease.

The licenses are for periods of ten to twenty years. The Company will review the licenses at least annually. When necessary, we record changes for impairments of long-lived assets for the amount by which the present value of future cash flows, or some other fair value measure, is less than the carrying value of the respective asset.

As of August 31, 2006, management determined that the value of the licenses had become impaired since the Company was no longer pursuing stem cell research. This determination was based on the resignation of the head of the Company's stem cell research department and the inability to locate a replacement at an economically feasible compensation package. The resignation was effective during the Company's third quarter.

A reconciliation of the license assets to the amount deemed as impaired is as follows:

Balance, August 31, 2006	$	30,000
Additions		2,500
License balance due, but cancelled		(10,000)

$	22,500

The Company had accrued expenditures related to the stem cell technology licenses in the amount of $79,167. These expenditures related to the second stage of licensing, after the initial evaluation phase. Since the Company in no longer pursuing stem cell research, the second stage will not be undertaken, and the related liabilities have been recorded as forgiveness of debt, and is included as a reduction of total expenses on the Company's Statement of Operations.

Note 4 - Deferred Revenues (Including Related Parties)

On May 1, 2004, the Company entered into an agreement with Financialnewsusa.com, Inc., to develop content for its' Biodefense Industry News. Financialnewsusa.com, Inc. is a related party due to a common officer and director.

Note 5 - Comprehensive Income

Accounting principles generally require that recognized revenues, expenses, gains and losses be included in net income. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities are reported as a separate component of the equity section of the balance sheet, such items, along with net income, are components of comprehensive income.

The components of other comprehensive income and related tax effects for the year ended November 30, 2006 are unrealized holding loss on available for sale securities in the amount of $27,000.

Note 6 - Income Taxes

The income tax provision reflected in the statement of operations consists of the following components for the year ended November 30, 2006:

Current income taxes payable:	
Federal	$8,780
State	816
	9,596

The items accounting for the difference between income taxes computed at the federal statutory rate and the provision for income taxes as follows:

	Amount	Impact on Rate
Income tax at federal rate	(74,812)	35.00%
State tax, net of federal effect	(12,825)	6.00%
Net operating loss deduction	97,233	-45.00%
	9,596	-4.00%

US Biodefense, Inc.
Notes to Financial Statements

Note 7 - Earnings per share

Basic earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding during the period.

Note 8 – Related parties and Concentrations

Sales to Toyota, a major customer totaled $114,784 for the year ended November 30, 2006, representing 35.0% of total sales. Sales to Kaiser Permanente, a major customer totaled $48,583, representing 14.8% of total sales. Emergency Disaster Systems also participated in a fundraiser with KABC Radio Station with sales of $124,754 for the year ended November 30, 2006, representing 38% of total sales.

Note 9 - Acquisition

On August 7, 2006, the Company acquired 100% of the outstanding stock of Emergency Disaster Systems, Inc. (EDS) a retailer of emergency disaster equipment. EDS was incorporated on July 17, 2006, by its majority stockholder who had been in the disaster prepardness industry for over seventeen years experience. The Company paid $25,000 in cash for the stock. The Company has recorded the transaction as follows:

Inventory	$	17,500
Customer list		7,500
	$	25,000

Note 10 - Common Stock Transactions

During the year ended November 30, 2006, the Company issued 2,000,000 shares of common stock and received proceeds of $200,000.

During the year ended November 30, 2006, the Company issued 6,755,000 shares of common stock to two entities as consulting fees totaling $270,200. The shares were issued as follows:

Date Issued	Shares Issued	Value per Share $	Valuation method	Total $
June 8, 2006	10,000	0.04	Performance commitment date	400
June 20, 2006	100,000	0.04	Performance commitment date	4,000
June 29, 2006	125,000	0.04	Performance commitment date	5,000
July 5, 2006	20,000	0.04	Performance commitment date	800
July 12, 2006	500,000	0.04	Performance commitment date	20,000
July 24, 2006	1,000,000	0.04	Performance commitment date	40,000
July 25, 2006	1,000,000	0.04	Performance commitment date	40,000
August 1, 2006	2,000,000	0.04	Performance commitment date	80,000
August 31, 2006	2,000,000	0.04	Performance commitment date	80,000
	6,755,000			270,200

The Company applies the provisions of EITF 96-18, "Accounting for Equity Instruments that are issued to Other Than Employees for Acquiring, or in conjunction with Selling Goods or Services" (EITF 96-18) for our non-employee stock-based awards. Under EITF 96-18, the measurement date at which the fair value of the stock-based award is measured is equal to the earlier of (1) the date at which a commitment for performance by the counterparty to earn the equity instrument is reached or (2) the date at which the counterparty's performance is complete. We recognize stock-based compensation expense for the fairvalue of the vested portion of the non-employee awards in our statements of operations. For the year ended November 30, 2006, the performance commitment date was July 18, 2006.

Note 11 - Restatement of Consolidated Financial Statements

The Company is amending it's quarterly report on Form 10Q for the quarter ended August 31, 2006 to restate it's condensed consolidated financial statements for the three month and nine month periods ended August 31, 2006 and the related disclosures.

In December 31, 2006, the Company discovered that there were errors in the accounting records of Emergency Disaster Systems, Inc., the subsidiary that was acquired on August 7, 2006. The Company has corrected the accounting errors, and has inititated internal control procedures to make certain that the types of errors that went undetected previously would be detected and corrected prior to the issuance of financial statements.

The Company is restating the aforementioned financial statements to correct the accounting errors. The restatement impact through August 31, 2006 of these errors are summarized in the table below:

The following table summarizes the specific balance sheet accounts as reported and as affected by the restatement as of August 31, 2006:

	As Previously Reported	Adjustment	As Restated
Cash and cash equivalents	69,035	$ (9,201)	$ 59,834
Marketable securities	150,000	--	150,000
Accounts receivable	15,727	(5,094)	10,633
Inventory	73,447	17,500	90,947
Total current assets	308,209	3,205	311,414
Property and equipment	2,418	--	2,418
Customer list		7,500	7,500
Deposits	1,000	--	1,000
Total assets	311,627	10,705	322,332
Accounts payable and accrued expenses	86,541	(1,492)	85,049
Due to related parties	19,013	(19,013)	--
Accrued income taxes	9,596	--	9,596
Deferred revenues	37,500	--	37,500
Total current liabilities	152,650	(20,505)	132,145
Deferred taxes	19,150	--	19,150
Total liabilities	171,800	(20,505)	151,295

Common stock	39,059	--	39,059
Additional paid-in capital	4,234,531	1,000	4,235,531
Other comprehensive income	30,850	--	30,850
Accumulated deficit	(4,164,613)	30,210	(4,134,403)
Total stockholders' equity	139,827	31,210	171,037
Total liabilities and stock holders' equity	$ 311,627	$ 10,705	$ 322,332

US Biodefense, Inc.
Notes to Financial Statements

The following is a summary of the specific income statement accounts as reported and as affected by the restatement for the three month periods ended August 31, 2006:

	As Previously Reported	Adjustment	As Restated
Sales of tangible products	$ 31,302	$ 24	$ 31,326
Revenues from services	37,500	--	37,500
Revenues - Related parties	6,667	25,000	31,667
Total revenues	75,469	25,024	100,493
Cost of tangible products sold	25,415	3,405	28,820
	50,054	21,619	71,673
General and administrative	86,738	(8,590)	78,148
General and administrative - Stock issued for consulting	270,200	--	270,200
Impairment of assets	22,500	--	22,500
Total expenses	379,438	(8,590)	370,848
Net loss	$ (329,384)	$ 30,209	$ (299,175)
Basic and diluted net loss per common share	(0.01)		(0.01)

The following is a summary of the specific income statement accountsas reported and as affected by the restatement for the nine month periods ended August 31, 2006:

	As Previously Reported	Adjustment	As Restated
Sales of tangible products	$ 31,302	$ 24	$ 31,326
Revenues from services	37,500	--	37,500
Revenues - Related parties	46,667	25,000	71,667
Total revenues	115,469	25,024	140,493
Cost of tangible products sold	25,415	3,405	28,820
	90,054	21,619	111,673
Research and development	23,171	--	23,171
General and administrative	93,939	(8,590)	85,349
General and administrative -			

Related parties		3,500		--		3,500
Stock issued for consulting		270,200		--		270,200
Impairment of assets		22,500		--		22,500
Total expenses		413,310		(8,590)		404,720
Net loss	$	(323,256)	$	30,209	$	(293,047)
Basic and diluted net loss per common share		(0.01)				(0.01)

The following is a summary of the impact of the restatement on our consolidated statement of cash flows for the nine months ended August 31, 2006:

		As Previously Reported		Adjustment		As Restated
Cash flows from operating activities:						
Net loss	$	(323,256)	$	30,209	$	(293,047)
Adjustments to reconcile net loss to net cash used in operating activities:						
Depreciation		59		--		59
Impairment of assets		22,500		--		22,500
Stock issued for consulting		270,200		--		270,200
Changes in operating assets and liabilities:						
Accounts receivable		(15,727)		5,094		(10,633)
Inventory		(73,447)		(17,500)		(90,947)
Prepaid expenses		20,000		--		20,000
Bank overdraft		(3,947)		--		(3,947)
Accounts payable and accrued expenses		7,374		(1,492)		5,882
Deferred revenues		(64,167)		--		(64,167)
Net cash (used for) provided by operating activities		(160,411)		16,311		(144,100)
Cash flows from financing activities						
Principal repaid to related party		17,200		(19,012)		(1,812)
Proceeds from sale of common stock		200,000		1,000		201,000
Total cash flows from financing activities		217,200		(18,012)		199,188
Cash flows used for investing activities						
Purchase of customer list				(7,500)		(7,500)
Purchase of license		(2,500)		--		(2,500)
Purchase of equipment		(2,477)		--		(2,477)

Total cash flows used for investing activities		(4,977)		(7,500)		(12,477)
Increase in cash and equivalents		51,812		(9,201)		42,611
Cash and cash equivalents, beginning of year		17,223		--		17,223
Cash and cash equivalents, end of year	$	69,035	$	(9,201)	$	59,834

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

None.

ITEM 8A. CONTROLS AND PROCEDURES

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that this information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Based upon their evaluation as of the end of the period covered by this report, David Chin, who serves as our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures are not effective to ensure that information required to be included in our periodic SEC filings is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms.

Our board of directors was advised by E. Randall Gruber, CPA, PC, our independent registered public accounting firm, that during their performance of audit procedures for 2005 E. Randall Gruber, CPA, PC identified a material weakness as defined in Public Company Accounting Oversight Board Standard No. 2 in our internal control over financial reporting. This deficiency consisted primarily of inadequate staffing and supervision that could lead to the untimely identification and resolution of accounting and disclosure matters and failure to perform timely and effective reviews. However, our financial condition prevents us from being able to employ sufficient resources to enable us to have adequate segregation of duties within our internal control system, and resultantly, no change to our internal control over financial reporting has been made. Our management is required to apply their judgment in evaluating the cost-benefit relationship of possible 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

The following table sets forth certain information with respect to each of our executive officers or directors.

NAME	AGE	POSITION	PERIOD SERVING	TERM
David Chin	36	President and Director	November 2006-2007	1 year
Charles Wright	50	Vice-President and Director	November 2006-2007	1 year

Footnotes:

(1) Directors hold office until the next annual stockholders' meeting to be held in 2007 or until a successor or successors are elected and appointed.

Directors, Executive Officers and Significant Employees

Set forth below are summary descriptions containing the name of our directors and officers, all positions and offices held with us, the period during which such officer or director has served as such, and the business and educational experience of each during at least the last five years:

David Chin attended the University of Irvine from 1988 to 1993, studying general education, management and business. Since 1996 Mr. Chin has successful built a start-up company involved with vocation training with $100,000 dollars in revenue in 1996 to $2 million in 2002. Currently Mr. Chin serves as Director, Chairman, President, and CEO of Camino Real Career School and Financialnewsusa.com.

Charles Wright currently oversees our wholly-owned Emergency Disaster Systems, Inc. subsidiary. Mr. Wright first developed the EDS concept and systems in 1989 and has worked for the past 18 years to improve and expand it.

Board Committees

We currently have no compensation committee or other board committee performing equivalent functions. Currently, all members of our board of directors participate in discussions concerning executive officer compensation.

Involvement on Certain Material Legal Proceedings During the Last Five Years

No director, officer, significant employee or consultant has been convicted in a criminal proceeding, exclusive of traffic violations.

No bankruptcy petitions have been filed by or against any business or property of any director, officer, significant employee or consultant of the Company nor has any bankruptcy petition been filed against a partnership or business association where these persons were general partners or executive officers.

No director, officer, significant employee or consultant has been permanently or temporarily enjoined, barred, suspended or otherwise limited from involvement in any type of business, securities or banking activities.

No director, officer or significant employee has been convicted of violating a federal or state securities or commodities law.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who beneficially own more than 10% of a registered class of the Company's equity securities, to file reports of beneficial ownership and changes in beneficial ownership of the Company's securities with the SEC on Forms 3 (Initial Statement of Beneficial Ownership), 4 (Statement of Changes of Beneficial Ownership of Securities) and 5 (Annual Statement of Beneficial Ownership of Securities). Directors, executive officers and beneficial owners of more than 10% of the Company's Common Stock are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms that they file. Except as otherwise set forth herein, based solely on review of the copies of such forms furnished to the Company, or written representations that no reports were required, the Company believes that for the fiscal year ended November 30, 2006 beneficial owners did not comply with Section 16(a) filing requirements applicable to them to the extent they filed all form required under Section 16(a) in February 2007 and had no trading activity in 2005.

Code of Ethics

We have not adopted a Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions in that our sole officer and director serves in all the above capacities.

ITEM 10. EXECUTIVE COMPENSATION

Remuneration of Directors, Executive Officers and Significant Employees

We do not have employment agreements with our executive officers. We have yet to determine the appropriate terms needed for the creation of employment agreements for our officers. There has been no discussion with any of our officers regarding any potential terms of these agreements, nor have such terms been determined with any specificity. We plan to have these agreements completed by the beginning of the next year. We have no proposal, understanding or arrangement concerning accrued earnings to be paid in the future.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation			
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Awards ($)	Securities Underlying Options (#)	LTIP Payouts ($)	All Other Compensation ($)
David Chin	2006	4,000	0	0	0	0	0	0
President	2005	12,000	0	0	0	0	0	0
and Treasurer	2004	25,000	0	0	0	0	0	0
Charles Wright Vice-President	2006	0	41,000	0	0	0	0	0

Directors' Compensation

We have no formal or informal arrangements or agreements to compensate our directors for services they provide as directors of our company.

Employment Contracts and Officers' Compensation

We currently have an employment agreement with Charles Wright, originating in August 2006, for a term of six years. Mr. Wright has elected not to receive any annual salary unless and until we achieve profitability for four consecutive quarters, at which time a base salary may be negotiated. Mr. Wright, however, is entitled to receive bonuses in the form of stock or cash at the discretion of the board of directors.

Stock Option Plan And Other Long-term Incentive Plan

In April 2006, we implemented a qualified stock option plan to reward employees, consultants and other individuals and entities who provide services to us. Under the plan, we are authorized to issue up to 10,000,000 shares of our common stock at prevailing market prices.

ITEM 11. SECURITY OWNERSHIP OF MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

Security Ownership of Management and Certain Beneficial Owners

The following table sets forth as of November 30, 2006 certain information regarding the beneficial ownership of our common stock by:

1. Each person who is known to us to be the beneficial owner of more than 5% of the common stock,
2. Each of our directors and executive officers and
3. All of our directors and executive officers as a group.

Except as otherwise indicated, the persons or entities listed below have sole voting and investment power with respect to all shares of common stock beneficially owned by them, except to the extent such power may be shared with a spouse. No change in control is currently being contemplated.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	% of Class
Common Stock	David Chin, President 375 South 6th Ave. City of Industry, California 91746	27,292,119	69.9%
	Officers and Directors (1)	27,292,119	69.9%
Common Stock	Erin Rahe 1461 Stanford Court Santa Ana, California 92705	3,000,000	7.7%
	Beneficial Owners (1)	3,000,000	7.7%

Footnotes:

(1) The address of officers and directors in the table is c/o US Biodefense, Inc., 375 South 6th Ave., City of Industry, CA 91746.

Change in Control

No arrangements exist that may result in a change of control of UBDF.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the fiscal year ended November 30, 2006, we provided various services to Financialnewsusa.com, Inc., related to the development of content for our Biodefense Industry News. Financialnewsusa.com, Inc. is a related party due to a common officer and director. During the year ended November 30, 2006, we recognized a total of $71,667 in sales revenues from services provided to Financialnewsusa.com.

Through the year ended November 30, 2005, David Chin loaned us a total of $4,313 to pay for general and administrative expenses. The loan bears no interest and is due upon demand. As of November 30, 2005, the amount owed was $1,812. As of November 30, 2006, the entire balance has been repaid.

ITEM 13. EXHIBITS

Exhibit Number	Name and/or Identification of Exhibit
3	Articles of Incorporation & By-Laws a. Articles of Incorporation of Teal Eyes, Inc. * b. Amendment to Articles of Incorporation of Teal Eyes, Inc. * c. Amendment to Articles of Incorporation of Terzon Corporation. * d. Amended and Restated Articles of Incorporation of Candy Stripers Candy Corp. * e. By-Laws of the Company. * f. Certificate of Amendment to Articles of Incorporation filed May 13, 2003. **
10	Material Contracts a. Stock Purchase Agreement with Charles Wright *** b. Stock Purchase Agreement with Equity Solutions *** c. Consulting Agreement with Charles Wright ****
31	Rule 13a-14(a)/15d-14(a) Certifications
32	Certification under Section 906 of the Sarbanes-Oxley Act (18 U.S.C. Section 1350)

*	Incorporated by reference herein filed as en exhibit to Form 10SB12G filed on September 1, 2000.
**	Incorporated by reference herein filed as Exhibit 3 to Form 10-QSB filed on July 15, 2003.
***	Incorporated by reference herein filed as an exhibit to Form 8-K filed on August 14, 2006
****	Incorporated by reference herein filed as an exhibit to Form 8-K filed on August 30, 2006

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth fees billed to us by our independent auditors for the year ended 2006 and 2005 for (i) services rendered for the audit of our annual financial statements and the review of our quarterly financial statements, (ii) services rendered that are reasonably related to the performance of the audit or review of our financial statements that are not reported as Audit Fees, and (iii) services rendered in connection with tax preparation, compliance, advice and assistance.

SERVICES	2006	2005
Audit fees	$ 11,428	$ 7,000
Audit-related fees	$ 0	$ 0
Tax fees	$ 0	$ 0
All other fees	$ 0	$ 0
Total fees	$ 11,428	$ 7,000

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SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

US BIODEFENSE, INC.

Signature	Title	Date
/s/ Scott Gallagher Scott Gallagher	Chief Executive Officer, Acting Chief Financial Officer and Chairman	February 11, 2008