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20/20 NETWORKS INC  
Form 10QSB  
November 15, 2005

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 2005

OR

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

From the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 0-29935

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

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

27430 Riverside Lane, Valencia CA 91354  
(Address of principal executive offices)

(661) 287-3772  
(Issuer's telephone number)

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

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

Yes  No

As of November 1, 2005 there were 4,824,465 shares of Common Stock of the issuer  
outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Micro Bio-Medical Waste Systems, Inc.  
BALANCE SHEET  
September 30, 2005  
(unaudited)

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ASSETS

|              |    |       |
|--------------|----|-------|
| Total Assets | \$ | --    |
|              |    | ===== |

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:

|                                       |    |         |
|---------------------------------------|----|---------|
| Accounts payable and accrued expenses | \$ | 172,061 |
| Accounts payable - related party      |    | 37,748  |
| Advances - related party              |    | 45,520  |
|                                       |    | -----   |
| Total current liabilities             |    | 255,330 |
|                                       |    | -----   |

STOCKHOLDERS' DEFICIT:

|   |  |             |
|---|--|-------------|
| Common stock, \$.001 par value, 500,000,000 shares<br>authorized, 4,824,465 shares issued and outstanding |  | 4,824       |
| Additional paid in capital  |  | 2,626,646   |
| Accumulated deficit   |  | (2,886,800) |
|   |  | -----       |
| Total Stockholders' Deficit   |  | (255,330)   |
|   |  | -----       |

|   |    |       |
|---|----|-------|
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ | --    |
|   |    | ===== |

See Accompanying Notes to Financials Syatements

Micro Bio-Medical Waste Systems, Inc.

STATEMENTS OF OPERATIONS

Three Months and Nine Months Ended September 30, 2005 and 2004  
(unaudited)

|                                      | Three Months Ended<br>September 30, |            | N      |
|--------------------------------------|-------------------------------------|------------|--------|
|                                      | 2005                                | 2004       | 2005   |
|                                      | -----                               | -----      | -----  |
| Costs and Expenses:                  |                                     |            |        |
| General and administrative           | \$ 6,938                            | \$ 3,492   | \$ 3   |
|                                      | -----                               | -----      | -----  |
| Net loss                             | \$ (6,938)                          | \$ (3,492) | \$ (3) |
|                                      | =====                               | =====      | =====  |
| Net loss per share:                  |                                     |            |        |
| Net loss basic and diluted           | \$ (0.00)                           | \$ (0.00)  | \$     |
|                                      | =====                               | =====      | =====  |
| Weighted average shares outstanding: |                                     |            |        |
| Basic and diluted                    | 4,824,465                           | 4,859,967  | 4,83   |
|                                      | =====                               | =====      | =====  |

See Accompanying Notes to the Financial Statements

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Micro Bio-Medical Waste Systems, Inc.  
 STATEMENTS OF CASH FLOWS  
 Nine Months Ended September 30, 2005 and 2004  
 (unaudited)

|   | 2005        | 2004           |
|---|-------------|----------------|
|   | -----       | -----          |
| CASH FLOWS FROM OPERATING ACTIVITIES  |             |                |
| Net loss  | \$ (32,999) | \$ (1,516,680) |
| Adjustments to reconcile net deficit to cash used<br>by operating activities: |             |                |
| Common stock for services   | --          | 1,467,376      |
| Provision for advances receivable - related party                             | 20,000      | --             |
| Net change in:  |             |                |
| Accounts payable and accrued expenses   | 12,999      | 23,784         |
|   | -----       | -----          |
| CASH FLOWS USED IN OPERATING ACTIVITIES                                       | --          | (25,520)       |
|   | -----       | -----          |
| CASH FLOWS FROM INVESTING ACTIVITIES  |             |                |
| Advance to a related party  | --          | (20,000)       |
|   | -----       | -----          |
| CASH FLOWS FROM FINANCING ACTIVITIES  |             |                |
| Proceeds from advances-related party  | --          | 45,520         |
|   | -----       | -----          |
| NET DECREASE IN CASH  | --          | --             |
| Cash, beginning of period   | --          | --             |
|   | -----       | -----          |
| Cash, end of period   | \$ --       | \$ --          |
|   | =====       | =====          |
| SUPPLEMENTAL CASH FLOW INFORMATION  |             |                |
| Interest paid   | --          | --             |
| Income taxes paid   | --          | --             |

See Accompanying Notes to the Financial Stttements

Micro Bio-Medical Waste Systems, Inc.  
 NOTES TO FINANCIAL STATEMENTS  
 (unaudited)

NOTE 1 - BASIS OF PRESENTATION

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

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end December 31, 2004 as reported in Form 10-KSB, have been omitted.

### NOTE 2 - ADVANCES RECEIVABLE - RELATED PARTY

Micro Bio-Medical advanced to Sanitec Services of Hawaii, Inc., a subsidiary of Crown Partners, Inc., the sum of \$20,000, as part of the consideration to be paid to Crown in connection with Micro Bio-Medical's planned purchase of Crown's Sanitec subsidiary. In the event that the transaction had been consummated, the advance would have been credited toward the purchase price of \$550,000. In July 2005 Sanitec ceased operations and Micro Bio-Medical will no longer proceed with this transaction.

As of 9/30/05 an allowance of \$20,000 was recorded due to the unstable business of Sanitec Services of Hawaii, Inc.

### NOTE 3 - ADVANCES - RELATED PARTY

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

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

This report contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. The Company's actual results could differ materially from those set forth on the forward looking statements as a result of the risks set forth in the Company's filings with the Securities and Exchange Commission, general economic conditions, and changes in the assumptions used in making such forward looking statements.

### GENERAL

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

In December, 2003, the Company entered into an Agreement with its majority shareholder, Crown Partners, Inc. ("Crown") to acquire Crown's wholly owned subsidiary, Sanitec Services of Hawaii, Inc. ("SSH"). The Company intended to pay Crown the sum of \$550,000 and issue five percent of its common stock to Crown. The \$550,000 was due within 60 days of the agreement but the Company has been unable to pay the sum owing, so that the transaction with Crown has not been closed. As part of the transaction with Crown, the Company changed its name to "Micro Bio-Medical Waste Systems, Inc." and approved a twenty-for-one forward stock split which was implemented in January, 2004. In July, 2005, SSH ceased operations and the Company will no longer proceed with this transaction. The Company is seeking alternative business opportunities.

### RESULTS OF OPERATIONS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2005 COMPARED TO THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2004

There were no revenues or cost of revenues for the three and nine months ended September 30, 2005 and 2004, respectively.

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The Company's expenses for the three months ended September 30, 2005 were approximately \$6,938, representing general and administrative expenses. The Company recorded a net loss of \$6,938 for the three months ended September 30, 2005. The Company's expenses for the three months ended September 30, 2003 were \$3,492 representing general and administrative costs and the Company recorded a net loss of \$3,492 for the three months ended September 30, 2004. The net loss per share was \$0.00 for the three months ended September 30, 2005 compared to a net loss of \$0.00 per share for the three months ended September 30, 2004.

The Company's expenses for the nine months ended September 30, 2005 were \$32,999, representing general and administrative expenses. The Company recorded a net loss of \$32,999 for the nine months ended September 30, 2005. The Company's expenses for the nine months ended September 30, 2004 were \$1,516,680 representing general and administrative costs. The Company recorded a net loss of \$1,516,680 for the nine months ended September 30, 2004. The net loss per share was \$0.01 for the nine month period ended September 30, 2005 compared to a net loss of \$0.33 for the nine month period ended September 30, 2004.

As of September 30, 2005, the Company had no assets. The Company's current liabilities at September 30, 2005 were approximately \$255,000.

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

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

### LIQUIDITY AND CAPITAL RESOURCES

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

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

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

### NEED FOR ADDITIONAL FINANCING

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

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substantially.

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

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

### DESCRIPTION OF PROPERTIES

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

### EMPLOYEES

As of September 30, 2005, the Company has no employees. The Company utilizes the services of consultants as needed.

### Inflation

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

### ITEM 3. CONTROLS AND PROCEDURES

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

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

### PART II

Items No. 1, 2, 3, 4 and 5 - Not Applicable.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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

There were no reports on Form 8-K filed during the quarter ended September 30, 2005.

### SIGNATURES

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

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MICRO BIO-MEDICAL WASTE SYSTEMS, INC.

By /s/ Charles Smith

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Charles Smith, CEO, CFO

Date: November 14, 2005