

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

ENVIRO VORAXIAL TECHNOLOGY INC

Form SB-2

February 27, 2007

As filed with the Securities and Exchange Commission on February 27, 2007

Registration No. \_\_\_\_\_

=====

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

-----

FORM SB-2  
REGISTRATION STATEMENT  
UNDER THE  
SECURITIES ACT OF 1933

-----

ENVIRO VORAXIAL TECHNOLOGY, INC.

-----

(Name of Small Business Issuer in Its Charter)

Idaho

3559

82-0266517

-----

(State or Other Jurisdiction of (Primary Standard Industrial (I.R.S. Employer  
Incorporation or Organization) Classification Number) Identification No.)

821 NW 57th Place  
Fort Lauderdale, FL 33309  
(954) 958-9968

(Address and Telephone Number of Principal Executive Offices)

-----

A. DiBella, Chief Executive Officer  
821 NW 57th Place  
Fort Lauderdale, FL 33309  
(954) 958-9968

(Name, Address and Telephone Number of Agent for Service)

-----

Copies of all communications to:

Brian A. Pearlman, Esq.  
Arnstein & Lehr LLP  
200 East Las Olas Boulevard, Suite 1700  
Fort Lauderdale, Florida 33301  
Telephone: (954) 713-7600  
Facsimile No. (954) 713-7700

-----

Approximate Date of Proposed Sale to the Public: As soon as practicable  
after the effective date of this Registration Statement.

We hereby amend this Registration Statement on such date or dates as  
may be necessary to delay its effective date until we file a further amendment  
which specifically states that this Registration Statement shall thereafter  
become effective in accordance with Section 8(a) of the Securities Act of 1933,  
as amended, or until the Registration Statement shall become effective on such

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

date as the Securities and Exchange Commission, acting under Section 8(a), may determine.

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

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

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

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

-----  
CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered -----	Amount to be Registered -----	Proposed Maximum Offering Price Per Security -----	Prop Max Aggr Offerin -----
Common stock, par value \$0.001 per share(1).....	265,250	\$0.75	\$198,9
	4,213,581	\$1.00	\$4,213,5
	516,666	\$1.25	\$645,8
	100,000	\$3.00	\$300,0
	100,000	\$4.00	\$400,0
	121,600	\$6.00	\$729,6
	121,600	\$9.00	\$1,094,4
	697,333	\$0.60	\$418,3
	30,000	\$0.71	\$21,3
	200,000	\$0.77	\$154,0
	150,000	\$0.80	\$120,0
	225,000	\$0.80	\$180,0
	757,333	\$1.00	\$757,3
Common stock, par value \$0.001 per share(2).....	2,000,000	\$0.15	\$300,0
	45,000	\$0.30	\$13,5
Total Registration Fee			\$9,546,8

-----  
(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(g). Shares issuable upon exercise of warrants and options based upon the exercise price of the respective option or warrant, which is higher than the closing price for the common stock on February 23, 2007.

(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(g). Shares issuable upon exercise of warrants and options. Based upon the closing price for the common stock on February 23, 2007 (\$0.54 as reported on the OTCBB), which is higher than the

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

exercise price of the respective option or warrant.  
-----

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

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

=====

SUBJECT TO COMPLETION: DATED FEBRUARY \_\_, 2007

PROSPECTUS

ENVIRO VORAXIAL TECHNOLOGY, INC.

9,543,363 SHARES

This prospectus covers 9,543,363 shares of common stock of Enviro Voraxial Technology, Inc. being offered for resale by certain selling shareholders. All of these shares represent shares underlying outstanding options and warrants. We are paying the expenses incurred in registering the shares, which may be offered by the selling shareholders, but all selling and other expenses incurred by the shareholders will be borne by the selling shareholders.

The securities may be sold by the shareholders to or through underwriters or dealers, directly to purchasers or through agents designated from time to time. For additional information on the methods of sale, you should refer to the section entitled "Plan of Distribution" in this prospectus.

Our common stock is quoted on the OTCBB under the trading symbol "EVTN". Prior to the date of this prospectus there has been limited trading activity for our common stock and the market for our shares has been illiquid. On January 30, 2007, the closing price for our common stock was \$0.45.

THIS INVESTMENT INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD PURCHASE SHARES ONLY IF YOU CAN AFFORD A COMPLETE LOSS OF YOUR INVESTMENT. SEE "RISK FACTORS" BEGINNING ON PAGE 3.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES, OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

# Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

## PROSPECTUS SUMMARY

This summary contains what we believe is the most important information about us and the offering. You should read the entire document for a complete understanding of our business and the transactions in which we are involved. The purchase of the securities offered by this prospectus involves a high degree of risk. See the "Risk Factors" section of this prospectus for risk factors. Unless otherwise indicated, information in this prospectus (excluding our financial statements) gives effect to our recent offerings.

## INDUSTRY DATA

Information contained in this prospectus concerning our industry, the markets for our products and the historic growth rate of, and our position in, those markets, is based on estimates that we prepared using data from various sources (including industry publications, surveys and forecasts and our internal research), on assumptions that we have made that are based on that data and other similar sources and our knowledge of the markets for our products. We take responsibility for compiling and extracting, but have not independently verified, market and industry data provided by third parties, or by industry or general publications. Similarly, while we believe our internal estimates are reliable, our estimates have not been verified by any independent sources, and we cannot assure you as to their accuracy.

## DESCRIPTION OF BUSINESS

Enviro Voraxial Technology, Inc. (the "Company") was incorporated in Idaho on October 19, 1964. In May of 1996, we entered into an agreement and plan of reorganization with a privately held Florida corporation, Florida Precision Aerospace, Inc. ("FPA"), and its shareholders. FPA was incorporated on February 26, 1993. We exchanged approximately 97% of our shares then issued and outstanding for all of the issued and outstanding shares of FPA. As a result of this reorganization, the shareholders of FPA gained control of our company and FPA became our wholly owned subsidiary. At the close of the transaction, we changed our name to Enviro Voraxial Technology, Inc. Our executive offices are located at 821 N.W. 57th Place, Fort Lauderdale, Florida 33309. Our telephone number is 954-958-9968.

The Voraxial(R) Separator is a continuous flow turbo machine that generates a strong centrifugal force, a vortex, capable of separating light and heavy liquids, such as oil and water, or any other combination of liquids and solids at extremely high flow rates. As the fluid passes through the machine, the Voraxial(R) Separator accomplishes this separation through the creation of a vortex. In liquid/liquid and liquid/solid mixtures, this vortex causes the heavier compounds to gravitate to the outside of the flow and the lighter elements to move to the center where an inner core is formed. The liquid stream processed by the machine is divided into separate streams of heavier and lighter liquids and solids. As a result of this process, separation is achieved.

To date we have had limited revenues and have an accumulated deficit at September 30, 2006 of \$6,467,389. However, we believe we are emerging as a potential leader in the rapidly growing environmental and industrial separation industries. The Company has developed and patented the Voraxial(R) Separator; a proprietary technology that efficiently separates large volumes of liquid/liquid, liquid/solids or liquid/liquid/solids with distinct specific gravities. Management believes this superior separation quality is achieved in real-time, and in much greater volumes, with a more compact, cost efficient and

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

energy efficient machine than any comparable product on the market today. The Voraxial(R) Separator operates in-line and is scaleable.

The Company is presently researching and developing Voraxial(R) solutions for various applications and markets including oil-water separation and oil exploration and production.

### THE OFFERING

This prospectus covers up to 9,543,363 shares of our common stock, which may be sold by the selling shareholders identified in this prospectus. Of these shares, 5,438,698 shares are underlying warrants exercisable at the following prices:

265,250 shares are underlying warrants exercisable at \$0.75 per share,  
4,213,582 shares are underlying warrants exercisable at \$1.00 per share,  
516,666 shares are underlying warrants exercisable at \$1.25 per share,  
100,000 shares are underlying warrants exercisable at \$3.00 per share,  
100,000 shares are underlying warrants exercisable at \$4.00 per share,  
121,600 shares are underlying warrants exercisable at \$6.00 per share, and  
121,600 shares are underlying warrants exercisable at \$9.00 per share.

The remaining 4,104,666 shares are underlying options exercisable at the following prices:

2,000,000 shares are underlying options exercisable at \$0.15 per share,  
45,000 shares are underlying options exercisable at \$0.30 per share,  
697,333 shares are underlying options exercisable at \$0.60 per share,  
30,000 shares are underlying options exercisable at \$0.71 per share,  
200,000 shares are underlying options exercisable at \$0.77 per share,  
150,000 shares are underlying options exercisable at \$0.80 per share,  
225,000 shares are underlying options exercisable at \$0.80 per share, and  
757,333 shares are underlying options exercisable at \$1.00 per share.

While we will not receive any proceeds from sales of shares of our common stock by the selling shareholders, the Company will receive up to \$11,166,883.80 from shares issued upon exercise of any warrants or options. The proceeds from the exercise of warrants and options will be used for general working capital purposes. The warrants and options expire on various dates between February 2007 and June 2009. In addition, the warrants are callable at a closing bid price of \$0.001 per underlying Common Share provided the Company's Common Stock trades at or above \$2.00 per share based for twenty consecutive trading days within 30 days of the Company's written notice of the Company's intention to call this warrant. In the event this warrant has not been exercised by written notice within 30 days of such notice, this warrant will cease to exist.

As of September 30, 2006, there are 21,492,235 shares of our common stock outstanding. This number of outstanding shares excludes: 5,438,698 shares of our common stock underlying warrants and 4,104,666 shares of common stock underlying stock options issued to our employees and consultants.

# Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

## SUMMARY FINANCIAL AND STATISTICAL DATA

The financial data set forth below under the captions "Results of Operations Data" and "Balance Sheet Data" as of December 31, 2004 and for the year ended December 31, 2005 are derived from our audited financial statements, included elsewhere in this Prospectus, by Jewett, Schwartz & Associates & Co., LLP independent public accountants. The data for the nine months ended September 30, 2006 and September 30, 2005 is derived from our unaudited financial statements included elsewhere in this prospectus. The results of operations for the data for the nine months ended September 30, 2006 are not necessarily of indicative of results to be expected for any other interim period or the entire year. The financial data set forth below should be read in conjunction with the financial statements and notes thereto included elsewhere in this Prospectus and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

### RESULTS OF OPERATIONS DATA

	For the Year Ended		Nine M
	December 31, 2005 ----	December 31, 2004 ----	2006 ----- Sep
Net sales.....	\$ 128,070	\$ 19,000	\$ 208,425
Cost of sales.....	\$ 34,444	\$ 0	\$ 71,410
Gross profit.....	\$ 93,626	\$ 19,000	\$ 137,015
Operating expenses.....	\$1,186,773	\$1,748,000	\$ 722,381
Net loss.....	(\$1,093,147)	(\$1,729,000)	(\$ 585,366)
Weighted average number of common shares outstanding: Basic & Diluted.....	18,257,808	16,899,376	20,067,888
Net loss per common share: Basic & Diluted	(\$0.06)	(\$0.10)	(\$0.03)

### BALANCE SHEET DATA

	December 31, 2005 -----	September 30, 2006 -----
Working capital (deficit).....	(\$ 5,882,005)	(\$6,467,389)
Total assets.....	\$ 218,063	\$ 643,948
Total liabilities.....	\$ 424,703	\$ 589,515
Shareholders' equity.....	(\$ 206,640)	(\$ 54,433)

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

### FORWARD LOOKING STATEMENTS

The discussion in this Prospectus regarding our business and operations includes "forward-looking statements" which consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward-looking statements are speculative, and there are certain risks and uncertainties that could cause actual events or results to differ from those referred to in such forward-looking statements. This disclosure highlights some of the important risks regarding our business. The risks included should not be assumed to be the only things that could affect future performance. Additional risks and uncertainties include the potential loss of contractual relationships, fluctuations in the volume of sales we make or transactions processed by our customers, as well as uncertainty about the ability to collect the appropriate amounts due to us.

### RISK FACTORS

OUR INDEPENDENT AUDITORS HAVE RAISED SUBSTANTIAL DOUBT ABOUT OUR ABILITY TO CONTINUE AS A GOING CONCERN.

Although we operated as a precision machine shop for a number of years, we have only recently completed the development of the Voraxial Separator, and we have not yet generated significant revenues from that product. As a result, we have limited operating history in our planned business upon which you may evaluate our business and prospects. The revenues and income potential of our business and the markets of our separation technology are unproven. Our business plan must be considered in light of risks, expenses, delays, problems, and difficulties frequently encountered by development stage companies.

We have incurred operating losses since our inception, and we will continue to incur net losses until we can produce sufficient revenues to cover our costs. At December 31, 2005, we had an accumulated deficit of \$5,882,005, including a net loss of \$1,091,005 for the year ended December 31, 2005. At September 30, 2006, we have an accumulated deficit of \$6,467,389 and net loss of \$585,366 for the nine months ended September 30, 2006. Even if we achieve profitability, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

Our ability to generate future revenues will depend on a number of factors, many of which are beyond our control. These factors include the rate of market acceptance of our products, competitive efforts, and general economic trends. Due to these factors, we cannot anticipate with any degree of certainty what our revenues will be in future periods. You have limited historical financial data and operating results with which to evaluate our business and our prospects. As a result, you should consider our prospects in light of the early stage of our business in a new and rapidly evolving market.

Our independent auditors have included in their audit report an explanatory paragraph that states that our continuing losses from operations raises substantial doubt about our ability to continue as a going concern.

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

4

WE HAVE BEEN LIMITED BY INSUFFICIENT CAPITAL, AND WE MAY CONTINUE TO BE SO LIMITED.

In the past, we have lacked the required capital to market the Voraxial Separator. Our inability to raise the funding or to otherwise finance our capital needs could adversely affect our financial condition and our results of operations, and could prevent us from implementing our business plan.

We may seek to raise capital through public and private equity offerings, debt financing or collaboration, and strategic alliances. Such financing may not be available when we need it or may not be available on terms that are favorable to us. If we raise additional capital through the sale of our equity securities, your ownership interest will be diluted and the terms of the financing may adversely affect your holdings or rights as a stockholder.

OUR BUSINESS MODEL IS UNPROVEN AND IF IT IS NOT SUCCESSFULLY IMPLEMENTED, OUR BUSINESS WILL FAIL.

Our business model is currently unproven and in the early stages of development and we have not yet undertaken any substantial marketing activities. The technological, marketing, and other aspects of our business will require substantial resources and will undergo constant developmental change. Our ability to develop a successful business model will be dependent upon the relative success or failure of these respective aspects of our operations and how effectively they work in concert with one another. If we expend significant financial and management resources attempting to market the Voraxial Separator to a specific industry segment, and we subsequently are unsuccessful in generating sales from that segment, we may not have enough resources to market to other industry segments. There are no assurances that we will successfully develop our business model from the standpoint of successfully implementing an efficient and effective marketing plan.

IF OUR PRODUCTS DO NOT ACHIEVE AND MAINTAIN MARKET ACCEPTANCE, OUR BUSINESS WILL NOT BE SUCCESSFUL.

Even though we believe our product is successfully developed, our success and growth will depend upon its acceptance by various potential users of our product. Acceptance will be a function of our product being more cost effective as compared to currently existing or future technologies. If our product does not achieve market acceptance, our business will not be successful. In addition, even if our product achieves market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favorably received than our product or render our products obsolete.

IF WE DO NOT DEVELOP SALES AND MARKETING CAPABILITIES OR ARRANGEMENTS SUCCESSFULLY, WE WILL NOT BE ABLE TO COMMERCIALIZE OUR PRODUCT SUCCESSFULLY.

We have limited sales and marketing experience. We may market and sell our product through a direct sales force or through other arrangements with third parties, including co-promotion arrangements. Since we may market and sell any product we successfully develop through a direct sales force, we will need to hire and train qualified sales personnel.



OUR MARKET IS SUBJECT TO INTENSE COMPETITION. IF WE ARE UNABLE TO COMPETE EFFECTIVELY, OUR PRODUCT MAY BE RENDERED NON-COMPETITIVE OR OBSOLETE.

We are engaged in a segment of the water filtration industry that is highly competitive and rapidly changing. Many large companies, academic institutions, governmental agencies, and other public and private research organizations are pursuing the development of technology that can be used for the same purposes as our product. We face, and expect to continue to face, intense and increasing competition, as new products enter the market and advanced technologies become available. We believe that a significant number of products are currently under development and will become available in the future that may address the water filtration segment of the market. If other products are successfully developed, it may be marketed before our product.

Our competitors' products may be more effective, or more effectively marketed and sold, than any of our products. Many of our competitors have:

- o significantly greater financial, technical and human resources than we have and may be better equipped to discover, develop, manufacture and commercialize products; and
- o more extensive experience in marketing water treatment products.

Competitive products may render our products obsolete or noncompetitive before we can recover the expenses of developing and commercializing our product. Furthermore, the development of new technologies and products could render our product noncompetitive, obsolete, or uneconomical.

AS WE EVOLVE FROM A COMPANY PRIMARILY INVOLVED IN DESIGN AND DEVELOPMENT TO ONE ALSO INVOLVED IN COMMERCIALIZATION, WE MAY ENCOUNTER DIFFICULTIES IN MANAGING OUR GROWTH AND EXPANDING OUR OPERATIONS SUCCESSFULLY.

We may experience a period of rapid and substantial growth that may place a strain on our administrative and operational infrastructure, and we anticipate that continued growth could have a similar impact. As our product continues to enter and advance in the market, we will need to expand our development, regulatory, manufacturing, marketing and sales capabilities or contract with third parties to provide these capabilities for us. As our operations expand, we expect that we will need to manage additional relationships with various collaborative partners, suppliers, and other third parties.

IF WE ARE UNABLE TO ADEQUATELY PROTECT OUR TECHNOLOGY, OR IF WE INFRINGE THE RIGHTS OF OTHERS, WE MAY NOT BE ABLE TO DEFEND OUR MARKETS OR TO SELL OUR PRODUCT.

Our success may depend in part on our ability to continue and expand our patent protection both in the United States and in other countries for our product. Due to evolving legal standards relating to the patentability, validity, and enforceability of patents covering our product and the scope of claims made under these patents, our ability to obtain and enforce patents is uncertain and involves complex legal and factual questions. Accordingly, rights under any issued patents may not provide us with sufficient protection for our

product or provide sufficient protection to afford us a commercial advantage against competitive products or processes.

Our success may also depend in part on our ability to operate without infringing the proprietary rights of third parties. The manufacture, use, or sale of our product may infringe on the patent rights of others. Likewise, third parties may challenge or infringe upon our existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding:

- o the patentability of our inventions relating to our product; and/or
- o the enforceability, validity, or scope of protection offered by our patents relating to our product.

Litigation may be necessary to enforce the patents we own and have applied for (if they are awarded), copyrights, or other intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement. This type of litigation could result in the expenditure of significant financial and managerial resources and could result in injunctions preventing us from distributing certain products. Such claims could materially adversely affect our business, financial condition, and results of operations.

WE ARE DEPENDENT ON KEY PERSONNEL AND THE LOSS OF THE SERVICES OF ANY SUCH PERSONNEL COULD HAVE A MATERIAL ADVERSE EFFECT ON US.

We are dependent upon the availability and the continued performance of the services of Alberto DiBella and John DiBella. The loss of the services of any such personnel could have a material adverse effect on us. In addition, the availability of skilled personnel is extremely important to our growth strategy and our failure to attract and retain such personnel could have a material, adverse effect on us. We do not currently maintain any key man life insurance covering these persons.

OUR OPERATIONS ARE SUBJECT TO GOVERNMENTAL APPROVALS AND REGULATIONS AND ENVIRONMENTAL COMPLIANCE, WHICH MAY SUBJECT US TO INCREASING OPERATIONAL COSTS.

Our operations are subject to extensive and frequently changing federal, state, and local laws and substantial regulation by government agencies, including the United States Environmental Protection Agency (EPA), the United States Occupational Safety and Health administration (OSHA) and the Federal Aviation Administration (FAA). Among other matters, these agencies regulate the operation, handling, transportation and disposal of hazardous materials used by us during the normal course of our operations, govern the health and safety of our employees and certain standards and licensing requirements for our aerospace components that we contract manufacture. We are subject to significant compliance burden from this extensive regulatory framework, which may substantially increase our operational costs.

We believe that we have been and are in compliance with environmental requirements and believe that we have no liabilities under environmental requirements. Further, we have not spent any funds specifically on compliance

with environmental laws. However, some risk of environmental liability is inherent in the nature of our business, and we might incur substantial costs to meet current or more stringent compliance, cleanup, or other obligations pursuant to environmental requirements in the future. This could result in a material adverse effect to our results of operations and financial condition.

OUR BUSINESS HAS A SUBSTANTIAL RISK OF PRODUCT LIABILITY CLAIMS. IF WE ARE UNABLE TO OBTAIN APPROPRIATE LEVELS OF INSURANCE, A PRODUCT LIABILITY CLAIM AGAINST US COULD AVERSELY AFFECT OUR BUSINESS.

Our business exposes us to possible claims of personal injury, death, or property damage, which may result from the failure, or malfunction of any component or subassembly manufactured or assembled by us. While we have product liability insurance, any product liability claim made against us may have a material adverse effect on our business, financial condition, or results of operations in light of our poor financial condition, losses and limited revenues.

OUR SHARES OF COMMON STOCK HAVE TRADED ON A LIMITED BASIS AND YOU MAY FIND IT DIFFICULT TO DISPOSE OF YOUR SHARES OF OUR STOCK, WHICH COULD CAUSE YOU TO LOSE ALL OR A PORTION OF YOUR INVESTMENT IN OUR COMPANY.

Our shares of common stock are currently quoted on the OTC Bulletin Board. The trading in shares of our common stock has been limited and we anticipate the trading market in the foreseeable future will continue to be limited. As a result, you may find it difficult to dispose of shares of our common stock and you may suffer a loss of all or a substantial portion of your investment in our common stock.

OUR COMMON STOCK IS COVERED BY SEC "PENNY STOCK" RULES WHICH MAY MAKE IT MORE DIFFICULT FOR YOU TO SELL OR DISPOSE OF OUR COMMON STOCK, WHICH COULD CAUSE YOU TO LOSE ALL OR A PORTION OF YOUR INVESTMENT IN OUR COMPANY.

Our common stock is covered by an SEC rule that imposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors, which are generally institutions with assets in excess of \$5,000,000, or individuals with net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell our securities, and also may affect the ability of purchasers of our stock to sell their shares in the secondary market. It may also diminish the number of broker-dealers that may be willing to make a market in our common stock, and it may affect the level of news coverage we receive.

FUTURE SALES BY OUR STOCKHOLDERS MAY NEGATIVELY AFFECT OUR STOCK PRICE AND OUR ABILITY TO RAISE FUNDS IN NEW STOCK OFFERINGS.

Sales of our common stock in the public market following this offering could lower the market price of our common stock due to the additional shares in the market. Sales may also make it more difficult for us to sell equity securities or equity-related securities in the future at a time and price that our management deems acceptable or at all.

THE EXERCISE OF THE WARRANTS AND OPTIONS COULD NEGATIVELY AFFECT THE MARKET PRICE FOR OUR COMMON STOCK.

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

To the extent that holders of the options or warrants exercise such convertible securities and then sell the underlying shares of common stock in the open market, our common stock price may decrease due to the additional shares in the market.

8

CAPITALIZATION

The following tables set forth our capitalization as of September 30, 2006. The tables should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus.

September 30, 2006

-----

Current maturities of long-term debt.....	
Long-term debt.....	
Current Liabilities .....	
Shareholders' equity:	
Preferred Stock; 7,250,000 authorized;	
Shares authorized, 0 Shares issued and outstanding.....	
Common stock; \$0.001 par value; 42,750,000	
Shares authorized; 21,492,235 shares issued and outstanding.....	
Additional paid-in capital.....	
Accumulated deficit.....	
Total shareholders' deficiency.....	
Total liabilities and shareholders deficiency.....	

## PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

Our common stock is quoted on the NASDAQ Over-The-Counter Bulletin Board ("OTCBB") under the symbol EVTN. The bid quotations below, as provided by Interactive Data, have been reported for the period ending March 31, 2004 through the period ending September 30, 2006. There is no assurance that an active trading market will develop which will provide liquidity for our existing shareholders or for persons who may acquire common stock through the exercise of warrants and options. On January 30, 2007, the closing price for our common stock was \$0.45. The quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not represent actual transactions.

## BID QUOTATIONS

Quarter Ended -----	High ----	Low ---
March 31, 2004	\$1.21	\$0.80
June 30, 2004	\$1.23	\$0.79
September 30, 2004	\$1.15	\$0.65
December 31, 2004	\$0.99	\$0.60
March 31, 2005	\$0.85	\$0.42
June 30, 2005	\$0.60	\$0.38
September 30, 2005	\$0.85	\$0.41
December 31, 2005	\$0.70	\$0.45
March 31, 2006	\$0.70	\$0.50
June 30, 2006	\$0.79	\$0.48
September 30, 2006	\$0.60	\$0.46

## HOLDERS

As of December 15, 2006, there were over 775 holders of record of our common stock outstanding. Our transfer agent is Jersey Transfer & Trust Company, Inc., Post Office Box 36, Verona, New Jersey 07044.

No prediction can be made as to the effect, if any, that future sales of shares of common stock or the availability of common stock for future sale will have on the market price of the common stock prevailing from time-to-time. Sales of substantial amounts of common stock on the public market could adversely affect the prevailing market price of the common stock.

## DIVIDENDS

We have not paid a cash dividend on the common stock since our acquisition of FPA. The payment of dividends may be made at the discretion of our board of directors and will depend upon, among other things, our operations, our capital requirements and our overall financial condition. As of the date of this prospectus, we have no intention to declare dividends.

A SPECIAL NOTE ABOUT PENNY STOCK RULES

Our common stock is covered by an SEC rule that imposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors, which are generally institutions with assets in excess of \$5,000,000, or individuals with net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell our securities, and also may affect the ability of purchasers of our stock to sell their shares in the secondary market. It may also cause less broker-dealers to be willing to make a market in our common stock, and it may affect the level of news coverage we receive.

USE OF PROCEEDS

We will not receive any proceeds from the sale of our common stock by the selling shareholders. However, we may receive up to \$11,166,883.80 of proceeds from the options and warrants exercisable to acquire the shares of common stock we are registering under this prospectus. Any proceeds from the exercise of options and warrants will be used for working capital.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND PLAN OF OPERATIONS

GENERAL

Management's discussion and analysis contains various forward-looking statements. These statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate" or "continue" or use of negative or other variations or comparable terminology.

We caution that these statements are further qualified by important factors that could cause actual results to differ materially from those contained in the forward-looking statements, that these forward-looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements.

OVERVIEW

The Company has developed and patented the Voraxial(R) Separator; a proprietary technology that efficiently separates large volumes of liquid/liquid, liquid/solids or liquid/liquid/solids with distinct specific gravities. We have had limited sales and have shipped units of the Voraxial(R) Separator on a trial and rental basis to a number of different companies that include a wide range of industrial applications, including produced water applications for the oil industry (both offshore oil rigs and onland production facilities), liquid/liquid and liquid/solid applications for the food processing industry and the uranium industry. We have installed several Voraxial(R) Separators to date including units to the Alaska Department of Environmental Conservation, the US Navy and to a leading uranium producing company in Canada for oil/water separation. During 2006, we sold a Voraxial(R) 4000 Separator to ConocoPhillips for produced water separation. The Company is presently marketing the developing Voraxial(R) Separator as a potential solution for various applications and markets including oil-water separation and oil exploration and production, .

YEAR ENDED DECEMBER 31, 2005 COMPARED TO YEAR ENDED DECEMBER 31, 2004

REVENUE

We continued to focus our efforts and resources to the manufacturing, assembling, marketing and selling of the Voraxial(R) Separator. Revenues increased 572% to \$128,070 for year ended December 31, 2005 as compared to \$19,220 for the year ended December 31, 2004. The increase is a result of a sale of the Voraxial Separator and in-house testing and rental shipments to customers interested in utilizing the Voraxial Separator. Management believes the interest for the Voraxial Separator for liquid/liquid, liquid/solid and liquid/liquid/solid separation is increasing from a variety of industries. We believe we have increased the exposure and awareness of the Voraxial Separator through our marketing programs and expect to increase revenues from the sale and

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

lease of the Voraxial Separator in 2007.

12

### COSTS AND EXPENSES

Costs and expenses decreased by 32% or \$561,257 to \$1,186,743 for the year ended December 31, 2005 as compared to \$1,748,000 for the year ended December 31, 2004. The decrease is due to a consolidation of activities resulting in decreases in general and administrative expenses and increases in research and development during the year ended December 31, 2005. Increase in research and development was primarily due to produced water trials.

### GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative expenses decreased by 59% or \$655,001 to \$455,999 for the year ended December 31, 2005 from \$1,111,000 for the year ended December 31, 2004. The decrease is principally due to a non-cash equity transaction in 2004 for services. The expense is related to the marketing of the Voraxial(R) Separator.

### RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenses increased 15% to \$730,774 for the year ended December 31, 2005 from \$637,000 for the year ended December 31, 2004. This increase was due to our continuing efforts to enter into the produced water segment of the oil industry.

NINE MONTHS ENDED SEPTEMBER 30, 2006 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2005.

### REVENUE

Our revenues increased 62% to \$208,425 for the nine months ended September 30, 2006 as compared to \$128,000 for the nine months ended September 30, 2005. The increase in revenue was due to the sales of Voraxial(R) Separator equipment. The Company continues to focus on its sales and marketing program for the Voraxial(R) Separator, specifically in the oil exploration and production market. Interest in the Voraxial Separator has increased significantly in the past several quarters, as such, Management believes such efforts will continue to result in additional clients and increasing revenues in 2006.

### COSTS AND EXPENSES

Costs and expenses decreased by 24% or \$224,619 to \$722,381 for the nine months ended September 30, 2006 as compared to \$947,000 for the nine months ended September 30, 2005. The decrease is due to a consolidation of activities resulting in a decrease in research and development during the nine months ended September 30, 2006. This was partially offset by an increase in general and administrative expenses, which includes, but not limited to sales and marketing in the oil exploration and production industry

### RESEARCH AND DEVELOPMENT EXPENSES



## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Research and Development expenses decreased by 52% to \$281,124 for the nine months ended September 30, 2006, as compared to \$588,000 for the previous

13

nine months ended September 30, 2005. The Company has finalized the development of the Voraxial(R) Separator and has begun the sales and marketing of the product. However, we continue to seek improvements to the product, specifically within the oil industry.

### GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative expenses increased by 22% to \$441,257 for the nine months ended September 30, 2006 up from \$359,000 for the nine months ended September 30, 2005. The increase was due to various overhead expenses, including, but not limited to sales and marketing in the oil exploration and production industry. We continue to focus our efforts on marketing of the Voraxial(R) Separator.

### LIQUIDITY AND CAPITAL RESOURCES

Cash at September 30, 2006 was \$381,492. Working capital surplus at September 30, 2006 was \$39,536 as compared to a working capital deficit at December 31, 2005 of \$221,978. The increase in the working capital was primarily due to a \$304,801 increase in cash, an increase in inventory of \$71,098, an increase in Accounts Receivable of \$41,430 and increase in prepaid expenses of \$8,997. These amounts were partially offset by an increase in Accounts Payable and Accrued Expenses of \$163,812.

At September 30, 2006 the Company had an accumulated deficit of \$6,467,389. We anticipate generating positive cash flow from the Voraxial(R) Separator by the end of 2007. To the extent such revenues and corresponding cash flows do not materialize, we will continue to require infusion of capital to sustain our operations. We cannot be assured that we will generate revenues or that the level of any future revenues will be self-sustaining. Furthermore, we cannot provide any assurances that required capital will be obtained or that terms of such required capital may be acceptable to us.

The Company has funded working capital requirements and intends to fund current working capital requirements through third party financing, including the private placement of securities. However, the Company cannot provide any assurances that it will be able to obtain adequate financing. If the Company is unable to obtain adequate financing, it may reduce its operating activities until sufficient funding is secured or revenues are generated to support operating activities. During the three months ended September 30, 2006, the Company received \$445,000 from four accredited investors that purchased an aggregate of 1,112,500 shares of the Company's restricted common stock at \$0.40 per share. During the nine months ending September 30, 2006, the Company received \$893,000 from 19 accredited investors that purchased an aggregate of 2,232,500 shares of the Company's restricted common stock at \$0.40 per share.

The Company has expanded its sales and marketing efforts for produced water separation in the oil exploration and production market. During the nine months ended September 30, 2006 the Company sold and delivered a Voraxial 4000

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Separator for produced water separation to ConocoPhillips. ConocoPhillips is among the largest five integrated energy companies and refiners in the United States. The machine will be used to enhance the handling of large volumes of produced water and water injection at a production facility. The Company also received a purchase order to provide Transocean Inc. semi submersible rig Sedco

14

702 with a Voraxial 2000 Offshore Deck Water Drainage System. The system will be utilized to handle and separate contaminated drill floor run-off water containing solids and drilling fluids on their offshore rig.

### CONTINUING LOSSES

We may be unable to continue as a going concern, given our limited operations and revenues and our significant losses to date. Consequently, our working capital may not be sufficient and our operating costs may exceed those experienced in our prior years. In light of these recent developments, we may be unable to continue as a going concern.

The Company has experienced net losses, has a working capital deficit and sustained cash outflows from operating activities and had to raise capital to sustain operations. There is no assurance that the Company's developmental and marketing efforts will be successful, that the Company will ever have commercially accepted products, or that the Company will achieve significant revenues. If the Company is unable to successfully commercialize its Voraxial Separator, it is unlikely that the Company could continue its business. The Company will continue to require the infusion of capital until operations become profitable. During 2007, the Company anticipates seeking additional capital, increasing sales of the Voraxial Separator and continuing to restrict expenses. However, substantial doubt exists about the ability of the Company to continue as a going concern.

### RECENT ACCOUNTING PRONOUNCEMENTS

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." The Company's adoption of SFAS No. 146 on January 1, 2003 did not have any material effect on the financial statements of the Company.

In December 2003, the FASB issued Interpretation No. 46R, "Consolidation of Variable Interest Entities" in an effort to expand upon and strengthen existing accounting guidance that addresses when a company should include in its financial statements the assets, liabilities and activities of variable interest entities, including special-purpose entities or off-balance sheet structures. The consolidation requirements of FIN No. 46R have a variety of implementation dates. The Company believes the impact of FIN No. 46R on its financial position and results of operations will not be material, but the Company will continue to evaluate the impact of FIN No. 46R during the first quarter of 2004.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This statement affects the issuer's accounting for three types of freestanding financial statements: mandatorily redeemable shares, put and forward purchase contracts that require the issuer to buy back some of its shares in exchange for cash or other assets, and certain obligations that can be settled in shares. This statement is effective for all financial instruments entered into or

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

modified after May 31, 2003, and otherwise effective at the beginning of the first interim period beginning after June 15, 2003. The impact of adopting FASB No. 150 was not material to the Company's financial position and results of operations.

15

In December 2003, the Securities and Exchange Commission (SEC), published Staff Accounting Bulletin (SAB) No. 104, "Revenue Recognition." This SAB updates portions of the Securities and Exchange Commission (SEC) staff's interpretive guidance provided in SAB 101 and included in Topic 13 of the Codification of Staff Accounting Bulletins. SAB 104 deletes interpretative material no longer necessary, and conforms the interpretive material retained, because of pronouncements issued by the FASB's Emerging Issues Task Force (EITF) on various revenue recognition topics, including EITF 00-21, "Revenue Arrangements with Multiple Deliverables." SAB No. 104 also incorporates into the SAB Codification certain sections of the SEC staff's "Revenue Recognition in Financial Statements - Frequently Asked Questions and Answers." SAB No. 104 does not have a material impact on the Company's financial position and results of operations since the Company's revenue recognition practices previously conformed to the interpretations codified by SAB No. 104.

Management does not expect these statements to have a material impact on the consolidated financial statements.

BUSINESS

OUR HISTORY

Enviro Voraxial Technology, Inc. was incorporated in Idaho on October 19, 1964, under the name Idaho Silver, Inc. From our inception through 1994, we were engaged in acquiring mining claims and exploring for silver and lead in Idaho. In May of 1996, we entered into an agreement and plan of reorganization with a privately held Florida corporation, Florida Precision Aerospace, Inc. ("FPA"), and its shareholders. FPA was incorporated on February 26, 1993. We exchanged 10,000,000 newly issued post-split shares of our common stock, or approximately 97% of our shares then issued and outstanding for all of the issued and outstanding shares of FPA. As a result of this reorganization, the shareholders of FPA gained control of our company and FPA became our wholly owned subsidiary. Because FPA's management was more qualified to focus our business on that of FPA, our officers and directors resigned and were replaced by FPA's designees. At the close of the transaction, we changed our name to Enviro Voraxial Technology, Inc.

GENERAL

We believe we are emerging as a potential leader in the rapidly growing environmental and industrial separation industries. The Company has developed and patented the Voraxial(R) Separator; a proprietary technology that efficiently separates large volumes of liquid/liquid, liquid/solids or liquid/liquid/solids with distinct specific gravities. Management believes its high separation quality is achieved in real-time, and in much greater volumes, with a more compact, cost efficient and energy efficient machine than any comparable product on the market today. The Voraxial(R) Separator operates in-line and is scaleable.

The size and efficiency advantages provided by the Voraxial(R) Separator to the end-user have provided us with a variety of market opportunities. We have generated limited revenues to date partially because of insufficient funds to adequately market our product; however, we have received inquiries from parties in various industries, including oil exploration and production.

We have had limited sales and have shipped units of the Voraxial(R) Separator on a trial and rental basis to a number of different companies that include a wide range of industrial applications, including produced water applications for the oil industry (both offshore oil rigs and onland production facilities), liquid/liquid and liquid/solid applications for the food processing industry and the uranium industry. We have installed several Voraxial(R) Separators to date including units to the Alaska Department of Environmental Conservation, the US Navy and to a leading uranium producing company in Canada for oil/water separation. During 2006, we sold a Voraxial(R) 4000 Separator to ConocoPhillips for produced water separation.

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

### VORAXIAL(R) SEPARATOR

The Voraxial(R) Separator is a continuous flow turbo machine that generates a strong centrifugal force, a vortex, capable of separating light and heavy liquids, such as oil and water, or any other combination of liquids and solids at extremely high flow rates. As the fluid passes through the machine, the Voraxial(R) Separator accomplishes this separation through the creation of a vortex. In liquid/liquid and liquid/solid mixtures, this vortex causes the

17

heavier compounds to gravitate to the outside of the flow and the lighter elements to move to the center where an inner core is formed. The liquid stream processed by the machine is divided into separate streams of heavier and lighter liquids and solids. As a result of this process, separation is achieved.

The Voraxial(R) Separator is a self-contained, non-clogging device that can be powered by an electric motor, diesel engine or by hydraulic power generation. Further, the Voraxial(R) Separator's scalability allows it to be utilized in a variety of industries and to process various amounts of liquid. The following are the various sizes and the corresponding capacity range:

#### PRODUCT AND CAPACITY RANGE

Model Number -----	Diameter Size -----	Capacity Range Gallons Per Minute -----
Voraxial(R)1000	1 inch	3 - 5
Voraxial(R)2000	2 inches	25 - 80
Voraxial(R)4000	4 inches	250 - 600
Voraxial(R)8000	8 inches	2,000 - 6,000

We currently maintain an inventory of various models of the Voraxial(R) Separator. During fiscal year 2006, we further tested, demonstrated and delivered on a trial and rental basis the Voraxial(R) Separator units to companies within various industries including energy production, wastewater, manufacturing and mining. During 2006 the Company provided Voraxial(R) Separators to several firms and is engaged in discussions to deliver additional Voraxial(R) Separators on an income-producing basis.

Management believes that our Voraxial(R) Separator offers substantial applications on a cost-effective basis, including: oil exploration & production, oil remediation services, municipal wastewater treatment, bilge water purification, food processing waste treatment and numerous other industrial production and environmental remediation processes. We also believe that the quality of the water separated from the contaminant is good enough to recycle back into the process stream (back into the plant) or discharge to the environment. As clean water becomes less available to the ever-increasing world population, this technology may become more valuable.

#### VORAXIAL(R) SEPARATOR MARKET

The need for effective and cost efficient wastewater treatment and separation technology is global in scale. Moreover, virtually every industry requires some type of separation process either during the manufacturing process, prior to treatment or discharge of wastewater into the environment, for general clean up, or emergency response capability. Separation processes, however, are largely unknown to the average consumer. These processes are deeply integrated in almost all industrial processes from oil to wastewater to

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

manufacturing. Management believes that the Voraxial(R) technology has applications in most, if not all major separation industries. The unique characteristics of the Voraxial(R) allow it to be utilized either as a stand-alone unit or within an existing system to provide a more efficient and cost effective way to handle the separation needs of the customer.

18

We believe that we are the only front-end solution for the separation industry that can offer increased productivity while reducing the physical space and energy required to operate the unit. These advantages translate into the potential for substantial operating cost efficiencies that may increase the profitability of the solution's end user.

If environmental regulations, both domestically and internationally, become more stringent, companies may be required to more effectively treat their wastewater prior to discharge. We believe this offers a good opportunity for the Company as the Voraxial(R) Separator can be utilized in most separation applications to significantly increase the efficiency of the separation processes while simultaneously reduce the cost to the end-user.

Management believes that the oil industry, and more specifically the produced water market within this industry, represents a good opportunity for significant sales growth for the Voraxial Separator. The produced water market is worldwide and the need for effective produced water (oil/water) separation is a major issue for both offshore and land-based oil production facilities. The ability to efficiently separate produced water waste streams (oil and water) has enormous economical and environmental consequences for the oil production industry. Produced water comprises over 98% of the total waste volume generated by the oil and gas industry, making it the largest volume waste stream associated with oil and gas production.

Oil reservoirs frequently contain large volumes of water and as oil wells mature (the oil field becomes depleted), the amount of produced water increases. According to American Petroleum Institute (API), about 18 billion barrels of produced water was generated by US onshore operations in 1995. Worldwide, the total amount of produced water generated in 1999, according to Khatib and Verbeek, was approximately 77 billion barrels. Produced water volumes will continue to increase as oil wells mature.

We believe that the necessity to process and efficiently separate high volumes of liquids coupled with the more stringent environmental regulations worldwide will continue to increase the demand for the Voraxial(R) Separator. The Voraxial(R) provides efficient separation while decreasing the amount of space, energy and weight to conduct the separation. In addition to oil separation, the Voraxial can also perform solid (sand and grit) extraction, which prevents production damage by increasing the life of the well.

### INVENTORY

Other than our Voraxial(R) Separators, we maintain no inventory of finished parts until we receive a customer order. We currently have various models of the Voraxial(R) Separator in inventory, which includes certain models located at third party facilities on a trial basis.

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

### COMPETITION

We are subject to competition from a number of companies who have greater experience, research abilities, engineering capability and financial resources than we have. Although we believe our Voraxial(R) Separator offers applications which accomplish better or similar results on a more cost-effective basis than existing products, other products have, in some instances, attained greater market and regulatory acceptance. These competitors include, but are not limited to Westfalia and AlfaLaval.

19

### MARKETING

The Company's products and services are marketed through our existing staff and consultants. We have presented the Voraxial(R) Separator at several prominent trade shows in the past fiscal year. In February 2005, we demonstrated our Voraxial(R) Separator in Shell Technology Ventures (STV) trade booth, a division of Royal Dutch/Shell Group (NYSE:RD), at the 22nd SPE/IADC Drilling Conference and Exhibition in Amsterdam, The Netherlands. Our objective in attending the conference was to increase awareness and strengthen relationships between STV and members of the SPE/IADC while providing us with the exposure and, hence, the business opportunities with potential customers. The specific applications addressed with our separation technology at the SPE/IADC Drilling Conference were the treatment of produced water and the separation of oil and water at the various steps in the oil production process; namely, extraction, transportation and initial refining of crude oil.

The Company believes it has received a great response from potential clients and manufacturers representatives from the above-mentioned tradeshow and is still pursuing some of these opportunities. We anticipate presenting the Voraxial(R) Separator at additional tradeshow in 2007.

### SOURCES AND AVAILABILITY OF RAW MATERIALS

The Voraxial(R) Separator is currently manufactured and assembled at our Fort Lauderdale, Florida facilities.

The materials needed to manufacture our Voraxial(R) Separator have been provided by Baldor Electric Co., Hughes Supply Inc. and SKF USA Inc., among other suppliers. We have no written agreements with suppliers. We do not anticipate any shortage of component parts.

### INTELLECTUAL PROPERTY

We currently hold several patents pertaining to the Voraxial(R) Separator and are continually working on developing other patents. The Company owns United States Patent #6,248,231, #5,904,840 and #5,084,189. The latest patent, Patent #6,248,231 was registered in 2001 for Apparatus with Voraxial(R) Separator and Analyzer. Patent #5,904,840 is for Apparatus for Accurate Centrifugal Separation of Miscible and Immiscible Media, which is for technology invented by our president and sole director, Alberto DiBella, and registered in 1999. The other is for the Method and Apparatus for Separating Fluids having Different Specific Gravities. This is for technology invented by Harvey Richter and registered in 1992 to Richter Systems, Inc. In 1996, we acquired assets, including this patent from Richter Systems, Inc. The method and apparatus for each of these is applied in our Voraxial(R) Separator. The Company has filed for additional patents pertaining to the Voraxial(R) Separator. These patents are

still pending.

In addition, on December 16, 2003, we received trademark protection for the word "Voraxial".

20

#### PRODUCT LIABILITY

Our business exposes us to possible claims of personal injury, death or property damage, which may result from the failure, or malfunction of any component or subassembly manufactured or assembled by us. We have product liability insurance up to \$1,000,000 per incident. However, any product liability claim made against us may have a material adverse effect on our business, financial condition or results of operations in light of our poor financial condition, losses and limited revenues.

We obtained directors and officers, and general insurance coverage in 2004. We obtained product liability insurance in 2005.

#### RESEARCH AND DEVELOPMENT

In our past two fiscal years, we have spent approximately \$1,246,000 on product research and development. The Company has finalized the development of the Voraxial(R) Separator. Although we will continually work on advancing the technology and applications whereby the technology can be used, we do not anticipate devoting a significant portion of any future funds to this area of the business.

#### EMPLOYEES

We have 4 employees. All of our employees work full-time. None of our employees are members of a union. We believe that our relationship with our employees is favorable. We intend to add additional employees in the upcoming year, including managers, sales representatives and engineers.

#### PROPERTIES

During September 2004, the Company entered into a three (3) year lease for an office and manufacturing facility located at 821 NW 57th Place, Fort Lauderdale, FL 33309. The lease is approximately \$5,640 per month for the initial two years of the lease and approximately \$5,700 per month for the third year of the lease. The Company has the option to renew the lease at the end of the three-year term. We believe this facility is adequate to maintain our operations for the next 24 months.



MANAGEMENT

Directors and executive officers

The following sets forth the names and ages of our officers and directors. Our directors are elected annually by our shareholders, and the officers are appointed annually by our board of directors.

Name ----	Age ---	Position -----
Alberto DiBella	73	President and Director
John A. DiBella	34	Executive Vice President of Business Development

ALBERTO DIBELLA is a graduate of the Florence Technical Institute, Italy, where he obtained a degree in mechanical engineering in 1952. After immigrating to the United States in 1962, Mr. DiBella worked in New Jersey for a major tool manufacturer. From 1988 to 1993, he was the President of E.T.P., Inc, a machining business, where he was responsible for day-to-day operations of the company. In 1993, he relocated to Florida and founded FPA, our wholly owned subsidiary. Since our inception he has worked in the day-to-day operations of FPA. He has been our president and chairman since June 1996 and president and chairman of our subsidiary, FPA, since its organization in February 1993.

JOHN A. DIBELLA has served as an employee of our Company since January 2002. From 2000 through January 2002 Mr. DiBella provided consulting services to our Company. Mr. DiBella currently serves as the Company's Vice President of Business Development. Mr. DiBella co-founded and served as President of PBCM, a financial management company located in New Jersey from 1997 to 1999. While at PBCM, Mr. DiBella was involved in various consulting services regarding the development of publicly traded companies, including establishing a management team, negotiating partnerships, licensing agreements and investigating merger and acquisition opportunities. Prior to co-founding PBCM, Mr. DiBella served as a Securities Analyst in the Equities and Derivatives Department for Donaldson, Lufkin and Jenrette, a NYSE member firm. Mr. DiBella holds a Bachelor of Science Degree in Finance and Economics from Rutgers University. Mr. DiBella is the nephew of Alberto DiBella.

COMMITTEES

To date, we have not established an audit committee. Due to our financial position, we have been unable to attract qualified independent

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

directors to serve on our board. Our board of directors, solely consisting of Alberto DiBella, reviews the professional services provided by our independent auditors, the independence of our auditors from our management, our annual financial statements and our system of internal accounting controls. Mr. DiBella is not considered a "financial expert."

We have not established a compensation committee or nominating committee.

22

### ADVISORY COMMITTEE

We have established an Advisory Committee. The purpose of the Advisory Committee is to provide business advice and recommendations to management of the Company. The Advisory Committee consists of J. John Combs, Barry Gafner, Kevin Mulshine and Henry Schlesinger. These individuals serve for a 2-year term.

On February 18, 2004, we issued options to purchase an aggregate of 30,000 shares of our common stock exercisable at \$0.71 per share to three of the individuals as consideration for joining our advisory committee. The options are exercisable until February 18, 2007.

### INDEMNIFICATION

The Idaho Statutes permit the indemnification of directors, employees, officers and agents of Idaho corporations. Our Articles of Incorporation and Bylaws provide that we shall indemnify its directors and officers to the fullest extent permitted by the Idaho Statutes.

The provisions of the Idaho Statutes that authorize indemnification do not eliminate the duty of care of a director, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Idaho. In addition, each director will continue to be subject to liability for (a) violations of criminal laws, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful, (b) deriving an improper personal benefit from a transaction, (c) voting for or assenting to an unlawful distribution and (d) willful misconduct or conscious disregard for our best interests in a proceeding by or in the right of a shareholder. The statute does not affect a director's responsibilities under any other law, such as the Idaho securities laws.

The effect of the foregoing is to require us to indemnify our officers and directors for any claim arising against such persons in their official capacities if such person acted in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers or persons in control pursuant to the foregoing provisions, we have been informed that in the opinion

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the act and is therefore unenforceable.

### EXECUTIVE COMPENSATION

The table below sets forth compensation for the past three years awarded to, earned by or paid to our chief executive officer and each executive officer whose compensation exceeded \$100,000 for the year ended December 31, 2005.

23

SUMMARY COMPENSATION TABLE

Name and Position -----	Year ----	Annual Compensation Salary	Bonus	Long Term Compe Shares of Common Sto Underlying Options -----
Alberto DiBella, CEO	2005	\$165,000 (1)	---	---
	2004	\$165,000 (1)	---	216,666 (3)
	2003	\$150,000 (2) (3)	---	---
Frank J. DeMicco, Former COO	2004	\$128,000	---	---
	2003	\$150,000	---	200,000 (5)
John A. DiBella, EVP	2005	\$150,000 (6)	---	---
	2004	\$150,000 (6)	---	1,033,333 (7)
	2003	\$150,000 (6) (7)	---	---

- (1) Of these amounts, only \$43,000 and \$25,000 have been paid out for the years ended December 31, 2005 and 2004, respectively. Unpaid balance has been included in accrued expenses.
- (2) Salary was deferred and subsequently paid during 2004.
- (3) In an effort to save the Company money for operating expenses, Mr. DiBella accrued a significant percentage of his salary. Mr. DiBella agreed to convert a portion of the accrued salary into options: 110,000 shares of common stock underlying options exercisable at \$0.60 per share and 110,000 shares of common stock underlying options exercisable at \$1.00 per share.
- (4) For services rendered during 1997, Mr. DiBella was paid cash compensation of \$50,000 together with 1,000,000 voting convertible, non-cumulative 8% preferred shares, \$0.001 par value. In 1997 Mr. DiBella also exchanged 5,000,000 shares of common stock for 5,000,000 shares of voting convertible, non-cumulative 8% preferred shares, \$0.001 par value. Effective December 31, 2003, pursuant to its terms, the preferred stock converted into shares of common stock on a one for one basis. Mr. DiBella had 6,000,000 shares of preferred stock at the time of conversion.
- (5) Pursuant to Mr. DeMicco's employment agreement, Mr. DeMicco received warrants to purchase 300,000 shares of the Company's common stock

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

exercisable at \$1.00 per share, subject to certain vesting provisions. 150,000 warrants vested prior to the Company's separation agreement with Mr. DeMicco. The remaining warrants were terminated. In 2005, Mr. DeMicco earned 50,000 options as a consultant. Effective December 31, 2005 Mr. DeMicco no longer serves as an executive officer of the Company.

(6) \$145,000, \$76,000 and \$133,000 have been deferred in 2005, 2004 and 2003, respectively.

(7) In an effort to save the Company money for operating expenses, Mr. DiBella has accrued a significant percentage of his salary. Mr. DiBella agreed to convert a portion of the accrued salary from 2001-2003 into options: 516,666 shares of common stock underlying options exercisable at \$0.60 per share and 516,666 shares of common stock underlying options exercisable at \$1.00 per share.

24

### AGGREGATED FISCAL YEAR-END OPTION VALUE TABLE

The following table sets forth certain information concerning unexercised stock options as of December 31, 2005 held by executive officers and directors. The Company has not adopted a formal stock option or equity incentive plan. All options are vested. No options were exercised during the year ended December 31, 2005.

Name -----	Shares Exercisable -----	Number Of Unexercised Options Held at 12/31/05 (#) -----	Shares Unexercisable -----	Value Of Unexercised In-the-Money Options at 12/31/05 (1) -----	Unexercis -----
				Exercisable	
Alberto DiBella	220,000		0	\$ 0	\$0
John DiBella	3,066,666		0	\$840,000	\$0

(1) The closing sale price of the Common Stock on December 31, 2005 as reported by OTCBB was \$0.57 per share. Value is calculated by multiplying (a) the difference between \$0.57 and the option exercisable price by (b) the number of shares of Common Stock underlying the options.

#### EMPLOYMENT AGREEMENTS

Neither of our executive officers has a written employment agreement with the Company. However the Company intends to enter into an employment agreement with John A. DiBella during 2007. We currently pay the CEO and Executive Vice President approximately \$15,000 per month which a high percentage is accrued.

#### DIRECTOR COMPENSATION

Directors are not compensated by our Company.

#### CERTAIN TRANSACTIONS

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

During the fourth quarter of 2005, John A. DiBella received 1,000,000 shares of common stock from Alberto DiBella.

During the fourth quarter of 2005 Alberto DiBella entered into agreements with Robert Weinberg and Peter Chiappetta related to personal advances made by Mr. Weinberg and Mr. Chiappetta to Mr. DiBella. Such advances were not related to the Company. In full satisfaction of the advances, Mr. DiBella transferred an aggregate of 5,000,000 shares of the Company's common stock to Mr. Weinberg and Mr. Chiappetta.

25

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of January 31, 2007, there were \_\_\_\_\_ shares of our common stock outstanding. The table below sets forth information with respect to the beneficial ownership of our securities as of January 31, 2007 by:

- 1) each person known by us to be the beneficial owner of five percent or more of our outstanding securities, and
- 2) executive officers and directors, individually and as a group.

Unless otherwise indicated, we believe that the beneficial owner has sole voting and investment power over such shares.

Name and Address of Beneficial Owner -----	Number of Shares Beneficially Owned -----	Percentage of Ownership -----
Alberto DiBella 3500 Bayview Drive Fort Lauderdale, FL 33308	3,266,666 (1)	16.6%
John A. DiBella 821 N.W. 57th Place Fort Lauderdale, FL 33309	4,033,333 (2)	17.9%
Robert Weinberg 11338 Clover Leaf Circle Boca Raton, FL 33428	2,000,000 (3)	10.3%
Peter Chiappetta 2299 NW 62nd Drive Boca Raton, FL 33487	3,000,000 (3)	15.4%
All officers and directors as a group (2 persons)	7,299,999	34.5%

- (1) Alberto DiBella's beneficial share ownership includes 10,000 shares of common stock owned by his wife. Also includes 110,000 shares of common stock underlying options exercisable at \$0.60 per share and 110,000

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

shares of common stock underlying options exercisable at \$1.00 per share.

- (2) Includes 2,000,000 shares of common stock underlying options exercisable at \$0.15 per share, 516,666 shares of common stock underlying options exercisable at \$0.60 per share and 516,666 shares of common stock underlying options exercisable at \$1.00 per share. Excludes shares, which Mr. DiBella holds voting control, but does not hold any power to dispose of such shares. See footnote 3.
- (3) Voting rights of said shares were granted to John A. DiBella until such time the percentage ownership is less than 3% of the Company.

26

### DESCRIPTION OF SECURITIES

As of January 31, 2007, we had authorized 42,750,000 shares of par value \$0.001 common stock, with 21,992,235 shares issued and outstanding. Additionally, we have authorized 7,250,000 shares of preferred stock, with no shares issued and outstanding.

#### COMMON STOCK

The holders of common stock are entitled to one vote for each share held of record on all matters to be voted on by shareholders. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voted for the election of directors can elect all of the directors. The holders of common stock are entitled to receive dividends when, as and if declared by the board of directors out of funds legally available therefor. In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision has been made for each class of stock, if any, having preference over the common stock. Holders of shares of common stock, as such, have no conversion, preemptive or other subscription rights, and there are no redemption provisions applicable to common stock. All of the outstanding shares of common stock are, and the shares of common stock offered hereby, will be duly authorized, validly issued, fully paid and nonassessable.

#### PREFERRED STOCK

We are authorized to issue shares of preferred stock with such designation, rights and preferences as may be determined from time to time by the board of directors. Accordingly, the board of directors is empowered, without shareholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights that could adversely affect the voting power or other rights of the holders of the common stock. In the event of issuance, the preferred stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control. As of the date of this Prospectus we have no outstanding shares of preferred stock.

#### WARRANTS

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

As of the date of this prospectus, we had outstanding warrants to purchase 5,438,698 shares of our common stock exercisable at the following prices:

265,250 shares are underlying warrants exercisable at \$0.75 per share,  
4,213,582 shares are underlying warrants exercisable at \$1.00 per share,  
516,666 shares are underlying warrants exercisable at \$1.25 per share,  
100,000 shares are underlying warrants exercisable at \$3.00 per share,  
100,000 shares are underlying warrants exercisable at \$4.00 per share,  
121,600 shares are underlying warrants exercisable at \$6.00 per share, and  
121,600 shares are underlying warrants exercisable at \$9.00 per share.

As of the date of this prospectus we had outstanding options to purchase 4,104,666 shares of our common stock exercisable at the following prices:

27

2,000,000 shares are underlying options exercisable at \$0.15 per share,  
45,000 shares are underlying options exercisable at \$0.30 per share,  
697,333 shares are underlying options exercisable at \$0.60 per share,  
30,000 shares are underlying options exercisable at \$0.71 per share,  
200,000 shares are underlying options exercisable at \$0.77 per share,  
150,000 shares are underlying options exercisable at \$0.80 per share,  
225,000 shares are underlying options exercisable at \$0.80 per share, and  
757,333 shares are underlying options exercisable at \$1.00 per share.

The warrants and options expire on various dates from February, 2007 to August, 2011. The warrants may be called or repurchased at \$0.001 per underlying share of common stock provided the closing bid price for the Company's Common Stock is at or above \$2.00 per share for twenty consecutive trading days within 30 days of the Company's written notice of the Company's intention to call this warrant. In the event this warrant has not been exercised by written notice within 30 days of such notice, the warrant will cease to exist.

### TRANSFER AGENT

The Transfer Agent for our shares of common stock is Jersey Transfer & Trust, Inc., 201 Bloomfield Ave., Verona, NJ 07044. The telephone number for Jersey Transfer & Trust, Inc is (973) 239-2712.

### SELLING SHAREHOLDERS

This prospectus relates to the registration of 9,543,363 shares of our common stock underlying certain warrants and options held by various parties listed below. We will not receive any proceeds from the sale our common stock by the selling shareholders. However, we may receive up to \$11,166,883.80 of proceeds from the options and warrants exercisable to acquire the shares of common stock we are registering under this prospectus. Any proceeds from the exercise of options and warrants will be used for working capital. The selling shareholders may resell the shares they acquire by means of this prospectus from time to time in the public market. The costs of registering the shares offered by the selling shareholders are being paid by us. The selling shareholders will pay all other costs of the sale of the shares offered by them.

The following table sets forth the name of the selling shareholders, the number of common shares that may be offered by the selling shareholders and

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

the number of common shares to be owned by the selling shareholders after the offering. The table also assumes that each selling shareholder sells all common shares listed by its name. The table below sets forth information as of the date of this prospectus. The percentage calculations for the selling shareholders do not include any common shares issuable upon the exercise of any currently outstanding warrants, options or other rights to acquire common shares, other than those that the selling shareholders beneficially own. Unless otherwise noted below, the address for the selling shareholder is 821 N.W. 57th Place, Fort Lauderdale, Florida 33309.

28

Name of Shareholder -----	Common Shares Owned Prior to Offering Number -----	Percentage -----	Common Shares Offered in the Offering Number -----	Common Shares Offered in the Offering Number -----
John M. and Gail S. Antonakos, JTWROS 1079 Route 523 Flemington, NJ 08822	20,000	*	20,000 (1)	
Glen B. Bagnall 24111 Meridian Rd #117 Grosse, Lle MI 48138	6,000	*	6,000 (1)	
Paul Bendigo 250 Dickinson Drive Reading, PA 19605	4,000	*	4,000 (1)	
Thomas W. Bilowus 4553 Lake Ave Blasdell, NY 14219-1303	2,000	*	2,000 (1)	
Ruth Butler 207 Sharon Pkwy Lackawanna, NY 14218	124,000	*	16,000 (1)	108,000
Agatino Cintorrino 37 W. Main Street Somerville, NJ 08876	72,600	*	38,400 (1) (4)	34,200
Kenneth G. Conrad 2935 Rising Sun Road Slatington, PA 18080	66,334	*	38,667 (1) (4)	27,667



Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

James Dahme 1237 Yellow Springs Road Chester Springs, PA 19425	39,334	*	22,667 (1) (4)	16,6
Joseph Di Bella 10 Sandy Hill Rd. Westfield, NJ 07090	70,000	*	35,000 (1) (4)	35,0
Rita DiPalo 1008 Featherbed Lane Edison, NJ 08820	18,100	*	8,933 (1) (4)	9,1
Paul J. and Linda A. Fischl 760 Point Phillips Road Bath, PA 18014	2,000	*	2,000	
Donald Hughes 2101 Springhouse Road Broomal, PA 19008	4,000	*	4,000	
Hal P. Johnson P.O. Box 2557 West Lawn, PA 19609	6,000	*	6,000	

29

Ralph Liloia 11 Liverpool Ct. Toms River, NJ 08753	2,000	*	2,000	
Paul J. Mueller 3045 Van Alstyne Wyandotte, MI 48192	6,000	*	6,000	
Joseph E. Mueller 28437 Balmoral Garden City, MI 48135	8,000	*	8,000	
Linda Rammage 8112 W Six Mile Rd Northville, MI 48167	10,000	*	10,000	
John L. Rowe 356 Magnolia Road Warminster, PA 18974	57,334	*	28,667 (1) (4)	22,6
Paul J. and Marie Sharga, JTWROS 1515 Newport Avenue Northampton, PA 18067	30,000	*	20,000	10,0
Edward G. Brown and Janet M. Nickerson RR 2 Box 2440 Leeds, ME 04263	2,000	*	2,000	
Arnold J. Solof 1816 Redwood Drive Vineland, NJ 08361-6750	8,000	*	8,000	

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Jeffrey P. Szackas 23G Greentop Road Sellersville, PA 18960	2,000	*	2,000	
Susan V Timmreck 901 Cedar Street Millville, NJ 08332	4,000	*	4,000	
Michael & Antoinetta Ulisse 17 Lynwood Road Edison, NJ 08820	17,700	*	8,533 (1) (2)	9,1
Ellen Van Embden 3312 Sherwood Road Easton, PA 18045	2,000	*	2,000	
Nathan Van Embden 787 Hogbin Road, P.O. Box 1641 Millville, NJ 08332	4,000	*	4,000	
Karen Van Embden 807 South Fountain Wichita, KS 67218	4,000	*	4,000	
30				
Paul Van Embden 1007 Cedar Millville, NJ 08332	2,000	*	2,000	
Laura Van Embden 1007 Cedar Street Millville, NJ 08332	4,000	*	4,000	
Julie Van Embden 4132 Garfield Avenue Pennsauken, NJ 08109	4,000	*	4,000	
Phillip S. Van Embden P.O. Box 863 Millville, NJ 08332	6,000	*	6,000	
Richard Williams 998 Newichawnoe Lane Bath, PA 18014	2,000	*	2,000	
Roland W. and Dianne S. Woodall R.D. #3 Box 609C Charleroi, PA 15022	4,000	*	4,000	
William Lanzana 577 Chestnut Ridge Road Woodcliff Lake, NJ 07675	30,000	*	20,000	10,0
Kevin Johnson 7106 Matthews Rd. Durham, NC 27712	300,000		200,000 (2)	100,0

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Joan Rich Baer, Inc. (14) Pension Plan & Trust 199 Concord Drive Madison, CT 06443	330,000	*	140,000 (3) (4)	
RBG Residuary Trust (15) 8 North Rohallion Drive Rumson, NJ 07760	950,000	3.2%	600,000 (3) (4)	350,000
Richard Goodwyn 8 North Rohallion Drive Rumson, NJ 07760	150,000	*	100,000	50,000
The Whittier Trust Company (16) of Nevada, Inc. Trustee of the Haldan Grandchildren's Trust fbo Seth H. Casden 100 West Liberty Street, Suite 890 Reno, NV 89501	249,999	*	166,666	83,333
31				
The Whittier Trust Company (17) of Nevada, Inc. Trustee of the Haldan Grandchildren's Trust fbo Graham S. Casden 100 West Liberty Street, Suite 890 Reno, NV 89501	333,333	*	208,333 (3) (4)	125,000
Harrichand Persaud 264 Airmont Ave. Mahwah, NJ 07430	333,332	*	166,666 (4)	166,666
Barbara J. Drew TTEE for the Barbara J. Drew Revocable Living Trust (22) 302 Carl Lane Capitola, CA 95010	166,666	*	83,333 (4)	83,333
Robert Agriogianis 16 Harvale Drive Florham Park, NJ 07932	41,666	*	41,666 (4)	
Michael H. Lambert 2020 Pintail Drive Longmont, CO 80504	16,667	*	16,667 (4)	
Richard Zimmer 136 Locktown-Flemington Road Flemington, NJ 08822	41,667	*	41,667 (4)	
Dominic Spinosa 1766 Roland Ave. Wantagh, NY 11793-2856	83,332	*	83,332 (4)	
Peter Maciak 125 Krager Road	250,000	*	125,000 (4)	125,000

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Binghamton, NY 13904

Keys Family Trust (18) 1024 Glorietta Coronado, CA 92118	100,000	*	50,000 (4)	50,000
William Dorfman Century Park East- Suite 1601 LA, CA 90067	83,334	*	41,667 (4)	41,667
Barry Gafner 4560 St. Vrain Road Longmont, CO, 80503	180,000	*	95,000 (4) (13)	85,000
Donald Cameron Rodee 1510 Wilshire Road Fallbrook, CA 92028	333,332	*	166,666 (4)	166,666
Kevin Mulshine 4097 St. Lucia Street Boulder, CO 80301	80,000 (3) (14)	*	45,000 (4) (13)	35,000
Mustafa Chike-Obi 175 Brooklake Road Florham Park, NJ 07932	83,334	*	41,667 (4)	41,667

32

James P. Kearney 59 Union Hill Road Madison, NJ 07940	83,334	*	41,667 (4)	41,667
Paul J. Sharga 1515 Newport Ave. Northampton, PA 18067	16,667	*	16,667 (4)	
John W. & Barbara B. Hemmer 88 Meadow Road Briarcliff Manor, NY 10510	41,667	*	16,667 (4)	25,000
Frank J. DeMicco 1000 Williams Island Blvd. Ste 3102 Aventura, FL 33160	200,000 (5)	*	200,000 (5)	
Kim J. Gloystein 7430 S Indian Lake Drive Vicksburg, MI 49097	33,333	*	33,333 (6)	
Richard T. Huebner IRA 16318 E. Berry Ave. Centennial, CO 80015	80,000	*	80,000 (6)	
Steven M. Bathgate IRA 6376 E. Tufts Ave. Englewood, CO 80111	665,071	2.2%	366,667 (6)	298,404
Michael J. Beaudoin 2915 Miwall Ct. Castlerock, CO 80109	40,000	*	20,000 (6)	20,000

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

David W. Beaudoin 21544 Tullman Drive Parker, CO 80111	40,000	*	20,000 (6)	20,000
John R. Cohagen 3939 95th St. Boulder, CO 80301	66,666	*	33,333 (6)	33,333
John David Kucera IRA 6178 S. Alton Way Greenwood Village, CO 80111	26,666	*	13,333 (6)	13,333
Pamela M. Kelsall IRA 6117 E. Princeton Ave. Englewood, CO 80111	33,334	*	16,667 (6)	16,667
Douglas H. Kelsall IRA 6117 E. Princeton Ave. Englewood, CO 80111	66,666	*	33,333 (6)	33,333
Eugene C. McColley IRA 3900 Garden Ave. Greenwood Village, CO 80121	50,000	*	50,000 (6)	50,000
Greg Fulton IRA 5520 South Newport Street Greenwood Village, CO 81111	33,334	*	16,667 (6)	16,667

33

Ann Fulton IRA 5520 South Newport Street Greenwood Village, CO 81111	33,334	*	16,667 (6)	16,667
Sandra Garnet C/F Colin Garnett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333 (6)	33,333
Sandra Garnet C/F Aaron Garnett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333 (6)	33,333
Sandra Garnett C/F Benjamin Garnett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333 (6)	33,333
Lee E. Schlessman 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	266,666	*	133,333 (6)	133,333
Rodney Garnett, Lee Schlessman POA 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333 (6)	33,333
Sandra L. Garnett, Lee E. Schlessman POA 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333 (6)	33,333

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Gary L. Schlessman C/F Margaret Schlessman 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	33,334	*	16,667 (6)	16,667 (6)
Gary Schlessman C/F Jennifer Schlessman 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	33,334	*	16,667 (6)	16,667 (6)
Cheryl S. Bennett C/F Eric Bennett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	33,334	*	16,667 (6)	16,667 (6)
Cheryl S. Bennett, Lee Schlessman POACO 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333 (6)	33,333 (6)
Cheryl S. Bennett C/F Lauren M. Bennett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	33,334	*	16,667 (6)	16,667 (6)
George Johnson IRA 6 Churchill Dr. Englewood, CO 80113	40,000	*	40,000 (6)	
34				
Kent J. Lund 203 S Pontiac St. Denver, CO 80230	17,000	*	17,000 (6)	
George Irwin Lind III IRA #2 Drive Lane Littleton, CO 80123	66,667	*	66,667 (6)	
Steven D. Plissey IRA 2225 Witter Gulch Evergreen, CO 80439	34,000	*	17,000 (6)	17,000 (6)
Frederic Duboc IRA 5500 Pemberton Drive Greenwood Village, CO 80121	200,000	*	100,000 (6)	100,000 (6)
Keysten Investments Ltd. (19) Suite 5050, Commerce Court West 199 Bay Street Toronto, ON 5ML-1E2	333,333	*	333,333 (6)	
James Edgar McDonald Revocable Living Trust Dated 6/30/95 (20) 6044 E Briarwood Dr Centennial, CO 80112	60,000	*	30,000 (6)	30,000 (6)
Virginia Stevens McDonald Revocable Living Trust Dated 6/30/95 (21) 6044 E Briarwood Dr.	30,000	*	30,000 (6)	

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Centennial, CO 80112

Robert H. Aukerman 6077 S. Cathay Ct. Aurora, CO 80016	30,000	*	20,000 (6)	10,000
Thomas D. Wolf 5751 E Nassau Place Englewood, CO 80111	40,000	*	20,000 (6)	20,000
Christopher J. Koenigs/ Jeanne F. Collopy JTWRDS 2433 E 7th Ave Denver, CO 80206	34,000	*	17,000 (6)	17,000
Roger Conan 14 Oaklay Rd Dublin 6, Ireland	120,000	*	60,000 (6)	60,000
Richard Vernon Wilsey P.O. Box 432 Morrison, CO 80465	68,000	*	34,000 (6)	34,000
David L. Gertz 7120 E Orchard Rd, Suite 300 Centennial, CO 80111	68,000	*	34,000 (6)	34,000
Vicki D.E. Barone IRA 7854 S Harrison Cir. Littleton, CO 80122	16,000	*	16,000 (6)	

35

Bathgate Capital Partners (22) 5350 South Roslyn St., Ste 400 Greenwood Village, CO 80111	530,500	*	530,500 (7)	
John A. DiBella 821 NW 57th Place Fort Lauderdale, FL 33309	4,033,333	17.9%	3,066,666 (9) (12)	966,666
Daniel Samela 4072 Oxbow Dr. Coconut Creek, FL, 33073	45,000	*	45,000 (8)	
Laura DiBella 3500 Bayview Dr. Ft. Lauderdale, FL 33301	200,000	*	200,000 (10)	
Dan Leon 4940 NW 85 Ave Lauderhill, FL 33351	10,000	*	10,000 (11)	
Alberto DiBella 3500 Bayview Dr. Ft. Lauderdale, FL 33301	3,266,666	11%	220,000 (12)	3,046,666
J. John Combs 6494 Nelson Rd	483,000	*	483,000 (12)	

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Longmont CO 80503

Henry Schlesinger  
18802 Pheasant Lane  
Tomball, TX 77377

10,000

\*

10,000 (13)

Total: 9,543,363

\* Denotes ownership of less than 1%. Percentage ownership assumes complete sale of securities into the open market after exercise of warrants or options. Some investors have invested on more than 1 occasion. Their total ownership is shown only once in Column A.

- (1) Includes warrants issued through a private placement conducted in February 2000. In the first half of 2000, we raised \$364,800 through the private placement of our securities. We sold 1,216 units to 34 accredited investors. Each unit was comprised of one hundred shares of restricted common stock and 200 warrants, one hundred exercisable at \$6.00 and one hundred exercisable at \$9.00. A total of 243,200 warrants were issued in this Offering, which includes 121,600 warrants exercisable at \$6.00 and 121,600 warrants exercisable at \$9.00. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.
- (2) Includes warrants issued through a private offering in April 2001. In April 2001, we raised \$100,000 through the private placement of our securities. We sold 1,000 units containing share of our common stock and warrants to one accredited investor. Each unit was comprised of 100 shares of restricted common stock and 200 common stock purchase warrants, of which 100 warrants are exercisable at \$3.00 per share and 100 warrants are exercisable at \$4.00 per share. A total of 200,000 warrants were issued in this Offering, which includes 100,000 warrants  
36  
exercisable at \$3.00 and 100,000 warrants exercisable at \$4.00. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.
- (3) Includes warrants issued through a private placement in fiscal year 2002. During the year ended December 31, 2002, we sold 5.17 units of securities at \$60,000 per unit in a private placement to 5 investors. Each unit consisted of 100,000 shares of common stock, 100,000 warrants to purchase 100,000 shares of common stock at an exercise price of \$1.00 per share and 100,000 warrants to purchase 100,000 shares of common stock at an exercise price of \$1.25 per share. The warrants issued at \$1 per share are callable at par value provided the stock trades above \$1.50 per share for 20 consecutive trading days. The warrants issued at \$1.25 per share are callable at par value provided the stock trades above \$2 per share for 20 consecutive trading days. Net proceeds received by our Company aggregated \$286,000. The warrants are exercisable from the date of issuance through December 2007. A total of 1,033,332 warrants were issued in this Offering, which includes 516,666 warrants exercisable at \$1.00 and 516,666 warrants exercisable at \$1.25. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions



## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.

- (4) Includes warrants issued through a private placement, which commenced in 2003 and was closed in January 2004. Under the private placement we sold an aggregate of 8.08 units of securities to 30 investors for proceeds of \$808,000. Each unit consisted of 166,666 shares of restricted common stock at \$0.60 per share and 166,666 warrants to purchase 166,666 shares of common stock at \$1.00 per share. The warrants are exercisable for a period of five years from the date of closing. The investors received information concerning our company and had the opportunity to ask questions to the viability of our company. A total of 1,346,665 warrants were issued in this Offering. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.
- (5) Effective January 1, 2003, we issued warrants to purchase 300,000 shares of our common stock exercisable at \$1.00 per share to Frank DeMicco pursuant to Mr. DeMicco's five-year employment contract with our company. Warrants to purchase 100,000 shares vested during year ended December 31, 2003 and the remaining warrants vest periodically over the term of the agreement. The balance 150,000 warrants were cancelled due to the mutual termination of DeMicco's employment contract. In January 2005, the Company entered into a one-year consulting agreement with Mr. DeMicco for engineering design, marketing and sales of Company products and services. Pursuant to this agreement, the Company granted 50,000 options to Mr. DeMicco exercisable at \$1.00 per share. These options vest equally in 12 tranches over a period of one year commencing in January, 2005 and expire in January 2008. The options and warrants issued to Mr. DeMicco were exempt from registration under Section 4(2) of the Securities Act. The options and warrants contain the appropriate restrictive legend restricting their

37

transferability absent registration or applicable exemption. Mr. DeMicco received information concerning our company and had the opportunity to ask questions about the viability of our company.

- (6) Includes warrants issued through a private placement in fiscal year 2004. From May 2004 through August 2004, the Company sold an aggregate of 1,935,000 units of securities to 38 accredited investors for gross proceeds of \$1,451,250 under the private placement (Schedule D). The Company paid Bathgate Capital Partners, a placement agent, a commission of 10% of the gross proceeds and a non-accountable expense allowance of 3% of the gross proceeds and issued the placement agent warrants to purchase six shares of common stock (three shares at \$0.75 and three shares at \$1.00) for each 20 units sold in the offering. Each unit consisted of one share of restricted common stock at \$0.75 per share and one warrant to purchase one share of common stock at \$1.00 per share. The warrants are exercisable for a period of five years from the date of closing. A total of 1,935,000 warrants were issued in this offering. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

- (7) Includes the number of warrants issued to Bathgate Capital Partners as commissions for the private placement discussed above. The Company has paid Bathgate Capital Partners, a placement agent, a commission of 10% of the gross proceeds and a non-accountable expense allowance of 3% of the gross proceeds and issued the placement agent warrants to purchase six shares of common stock (three shares at \$0.75 and three shares at \$1.00) for each 20 units sold in the offering. Each unit consisted of one share of restricted common stock at \$0.75 per share and one warrant to purchase one share of common stock at \$1.00 per share. The warrants are exercisable for a period of five years from the date of closing. The transactions were exempt from registration under Section 4(2) of the Securities Act. Bathgate Capital Partners was deemed accredited. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares and warrants contain legends restricting their transferability absent registration or applicable exemption. A total of 530,000 warrants were issued to Bathgate Capital Partners, which includes 265,250 warrants exercisable at \$0.75 and 265,250 warrants exercisable at \$1.00.
- (8) During November 2001 we issued options to purchase 45,000 shares of our common stock exercisable at \$0.30 per share to an individual pursuant to an employment agreement with our company. The options vest periodically over the term of the agreement. The options issued to the employee were exempt from registration under Section 4(2) of the Securities Act. The options contain the appropriate restrictive legend restricting their transferability absent registration or applicable exemption. The employee received information concerning our company and had the opportunity to ask questions about the viability of our company.
- (9) On January 17, 2002, we issued options to purchase 2,000,000 shares of our common stock at an exercise price of \$0.15 per share. The market price at the date of the grant was \$0.12 per share. These options were issued pursuant to an employment agreement. The options vest periodically over the term of the agreement. The options issued to the employee were exempt from registration under Section 4(2) of the Securities Act. The options contain the appropriate restrictive legend  
38  
restricting their transferability absent registration or applicable exemption. The employee received information concerning our company and had the opportunity to ask questions about the viability of our company.
- (10) During year ended December 31, 2002, we issued stock options to purchase 200,000 shares of common stock to an additional employee of our Company. These options have an exercise price of \$0.77 per share. The options vest periodically over the term of the agreement. The options issued to the employee were exempt from registration under Section 4(2) of the Securities Act. The options contain the appropriate restrictive legend restricting their transferability absent registration or applicable exemption. The employee received information concerning our company and had the opportunity to ask questions about the viability of our company.
- (11) During January of 2003 we issued options to purchase 10,000 shares of our common stock exercisable at \$1.00 per share to an employee pursuant to a two-year employment agreement with our company. The options vest periodically over the term of the agreement, of which options to purchase 5,000 shares vested during year ended December 31, 2003. The options issued to the employee were exempt from registration under

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Section 4(2) of the Securities Act. The options contain the appropriate restrictive legend restricting their transferability absent registration or applicable exemption. The employee received information concerning our company and had the opportunity to ask questions about the viability of our company.

- (12) During the 2004 fiscal year, we issued options to purchase an aggregate of 1,394,666 shares of our common stock to our chief executive officer, an employee and a consultant in consideration for such individuals converting accrued salaries and consulting fees in the aggregate amount of \$370,000 to equity in our Company. Options to purchase 697,333 shares of our common stock are exercisable at \$0.60 and options to purchase 697,333 shares of our common stock are exercisable at \$1.00. The options are exercisable for a period of five years commencing January 15, 2004. Options to purchase 220,000 shares of our common stock were issued to Alberto DiBella. Options to purchase 1,066,666 shares of our common stock were issued to John A. DiBella. Options to purchase 108,000 shares of our common stock were issued to John Combs. The issuance of the options to our employees was exempt from registration under Section 4(2) of the Securities Act. The employees had access to information concerning our Company and had the opportunity to ask questions concerning the viability of our Company. The options issued to our employees contain legends restricting their transferability absent registration or applicable exemption.
- (13) On February 18, 2004, we issued options to purchase an aggregate of 30,000 shares of our common stock exercisable at \$0.71 per share to three individuals as consideration for joining our advisory committee. The options are exercisable until February 18, 2006. The options were issued pursuant to the exemption from registration under Section 4(2) of the Securities Act. The advisors received information concerning our Company and had the opportunity to ask questions concerning the viability of our Company. The options contain legends restricting their transferability absent registration or applicable exemption.
- (14) Dispositive control held by \_\_\_\_\_.
- (15) Dispositive control held by \_\_\_\_\_.
- (16) Dispositive control held by \_\_\_\_\_.
- (17) Dispositive control held by \_\_\_\_\_.
- (18) Dispositive control held by \_\_\_\_\_.
- (19) Dispositive control held by \_\_\_\_\_.
- (20) Dispositive control held by \_\_\_\_\_.
- (21) Dispositive control held by \_\_\_\_\_.
- (22) Dispositive control held by \_\_\_\_\_.

PLAN OF DISTRIBUTION

The shares of common stock owned, or which may be acquired, by the selling shareholders may be offered and sold by means of this prospectus from time to time as market conditions permit in the over-the-counter market, or otherwise, at prices and terms then prevailing or at prices related to the then-current market price, or in negotiated transactions. These shares may be sold by one or more of the following methods, without limitation:

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

- o a block trade in which a broker or dealer so engaged will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- o purchases by a broker or dealer as principal and resale by such broker or dealer for its account pursuant to this prospectus;
- o ordinary brokerage transactions and transactions in which the broker solicits purchasers; and
- o face-to-face transactions between sellers and purchasers without a broker/dealer.

In effecting sales, brokers or dealers engaged by the selling shareholders may arrange for other brokers or dealers to participate. Such brokers or dealers may receive commissions or discounts from selling shareholders in amounts to be negotiated.

The selling shareholders and any broker/dealers who act in connection with the sale of the shares hereunder may be deemed to be "underwriters" within the meaning of section 2(11) of the Securities Acts of 1933, and any commissions received by them and profit on any resale of the shares as principal might be deemed to be underwriting discounts and commissions under the Securities Act. We have agreed to indemnify the selling shareholders, and any securities broker/dealers who may be deemed to be underwriters against certain liabilities, including liabilities under the Securities Act as underwriters or otherwise.

We have advised the selling shareholders that they and any securities broker/dealers or others who may be deemed to be statutory underwriters will be subject to the prospectus delivery requirements under the Securities Act. We have also advised each selling shareholder that in the event of a "distribution" of the shares owned by the selling shareholder, such selling shareholder, any "affiliated purchasers", and any broker/dealer or other person who participates in such distribution, may be subject to Rule 102 under the Securities Exchange Act of 1934 until their participation in that distribution is completed. Rule 102 makes it unlawful for any person who is participating in a distribution to bid for or purchase stock of the same class as is the subject of the distribution. A "distribution" is defined in Rule 102 as an offering of securities "that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods". We have also advised the selling shareholders that Rule 101

40

under the 1934 Act prohibits any "stabilizing bid" or "stabilizing purchase" for the purpose of pegging, fixing or stabilizing the price of the common stock in connection with this offering.

We do not intend to distribute or deliver the prospectus by means other than by hand or mail.

During such time as the selling shareholders may be engaged in a distribution of the securities covered by this prospectus, the selling shareholders are required to comply with Regulation M promulgated under the Exchange Act. With certain exceptions, Regulation M precludes the selling shareholders, any affiliated purchasers, and any broker-dealer or other person who participates in such distribution from bidding for or purchasing, or attempting to induce any person to bid for or purchase any security which is the subject to the distribution until the entire distribution is complete. Regulation M also restricts bids or purchases made in order to stabilize the price of a security in connection with the distribution of that security. All of

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

the foregoing may affect the marketability of our common stock.

### SHARES ELIGIBLE FOR FUTURE SALE

As of the date of this prospectus, we have 21,492,235 shares of common stock issued and outstanding. This does not include shares that may be issued upon exercise of options or warrants.

We cannot predict the effect, if any, that market sales of common stock or the availability of these shares for sale will have on the market price of our shares from time to time. Nevertheless, the possibility that substantial amounts of common stock may be sold in the public market could negatively damage and affect market prices for our common stock and could damage our ability to raise capital through the sale of our equity securities.

### LEGAL MATTERS

The validity of the securities offered by this prospectus will be passed upon for us by Arnstein & Lehr LLP, 200 East Las Olas Boulevard, Suite 1700, Fort Lauderdale, Florida 33301.

### EXPERTS

Our consolidated financial statements as of December 31, 2005 are included herein in reliance on the reports Jewett, Schwartz, Wolfe & Associates & Co., LLP independent accountants, given on the authority of that firm as experts in accounting and auditing.

### ADDITIONAL INFORMATION

We have filed with the SEC the registration statement on Form SB-2 under the Securities Act for the common stock offered by this prospectus. This prospectus, which is a part of the registration statement, does not contain all of the information in the registration statement and the exhibits filed with it, portions of which have been omitted as permitted by SEC rules and regulations. For further information concerning us and the securities offered by this prospectus, we refer to the registration statement and to the exhibits filed with it. Statements contained in this prospectus as to the content of any contract or other document referred to are not necessarily complete. In each instance, we refer you to the copy of the contracts and/or other documents filed as exhibits to the registration statement, and these statements are qualified in their entirety by reference to the contract or document.

41

The registration statement, including all exhibits, may be inspected without charge at the SEC's Public Reference Room at 450 Fifth Street, N.W. Washington, D.C. 20549, and at the SEC's regional offices located at the Woolworth Building, 233 Broadway, New York, New York 10279 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of these materials may also be obtained from the SEC's Public Reference at 450 Fifth Street, N.W., Room 1024, Washington D.C. 20549, upon the payment of prescribed fees. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

The registration statement, including all exhibits and schedules and amendments, has been filed with the SEC through the Electronic Data Gathering, Analysis and Retrieval system, and are publicly available through the SEC's Web site located at <http://www.sec.gov>.

42

ENVIRO VORAXIAL TECHNOLOGY, INC.  
AND SUBSIDIARY

FINANCIAL STATEMENTS

DECEMBER 31, 2005 and 2004

Table of Contents

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Report of Independent Registered Public Accounting Firm.....	F -
Balance Sheet .....	F -
Statements of Operations .....	F -
Statements of Changes in Shareholders' Deficiency.....	F -
Statements of Cash Flows .....	F -
Notes to Financial Statements.....	F7-

Report of Independent Registered Public Accounting Firm

To The Shareholders and Board of Directors of  
Enviro Voraxial Technology, Inc.

We have audited the accompanying consolidated balance sheet of Enviro Voraxial Technology, Inc and Subsidiary as of December 31, 2005 and 2004 and the related consolidated statements of operations, changes in shareholders' deficiency and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Enviro Voraxial Technology, Inc and Subsidiary as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

The accompanying consolidated financial statements have been prepared assuming that Enviro Voraxial Technology, Inc and Subsidiary will continue as a going concern. As discussed in Note B to the financial statements, Enviro Voraxial Technology, Inc and Subsidiary has suffered recurring losses from operations, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note B. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Jewett, Schwartz, & Associates

Hollywood, Florida

April 11, 2006

F-2

ENVIRO VORAXIAL TECHNOLOGY, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash and cash equivalents  
Inventory

-----  
\$  
-----

Total current assets

FIXED ASSETS, NET

OTHER ASSETS

Total assets

-----  
\$  
=====

LIABILITIES AND SHAREHOLDERS' DEFICIENCY

CURRENT LIABILITIES:

Accounts payable and accrued expenses

-----  
\$  
-----

Total current liabilities

Total liabilities

COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' DEFICIENCY:

Common stock, \$.001 par value, 42,750,000 shares authorized  
19,459,735 shares issued and outstanding  
Additional paid-in capital



Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Deferred compensation  
Accumulated deficit

Total shareholders' deficiency

Total liabilities and shareholders' deficiency

The accompanying notes are an integral part of the  
consolidated financial statements

F-3

ENVIRO VORAXIAL TECHNOLOGY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended Decem	
	----- 2005 -----	
Revenues, net	\$ 128,070	\$
Cost of goods sold	34,444	
Gross Profit	93,626	
Costs and expenses:		
General and administrative	455,999	
Research and development	730,774	
Total costs and expenses	1,186,773	
Loss from operations	(1,093,147)	
Other expenses (income):		
Interest expense	-	
Gain on sale of asset	(2,142)	
Total other expense	(2,142)	
NET LOSS	\$ (1,091,005)	\$

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Weighted average number of common shares outstanding-basic & diluted	18,257,808
Basic and diluted loss per common share	\$ (0.06)

The accompanying notes are an integral part of the consolidated financial statements

F-4

ENVIRO VORAXIAL TECHNOLOGY, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

	Common Stock		Additional	Deferred
	Shares	Amount	Paid-in Capital	Compensatio
	-----	-----	-----	-----
Balance at December 31, 2003	15,502,636	\$ 15,000	\$ 2,725,000	\$ (21,000)
Issuance of units consisting of common stock and warrants net of issuance costs	1,935,000	2,000	1,283,000	
Common stock and warrants issued in private placement	61,666	-	37,000	
Issuance of options for accrued compensation			747,000	
Issuance of options for services			18,000	
Amortization of deferred compensation				148,000
Common stock issued for service	177,100	1,000	143,000	(138,000)
Net Loss	-	-	-	-
Balance at December 31, 2004	17,676,402	\$ 18,000	\$ 4,953,000	\$ (11,000)
Issuance of common stock for consulting				

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

services	300,000	300	141,519	(56,875)
Issuance of options for services	-	-	21,000	-
Issuance of restricted common stock at \$.40 per share	1,468,333	1,144	586,189	-
Issuance of common stock for consulting services	15,000	15	7,635	-
Amortization of deferred compensation	-	-	-	14,438
Net Loss	-	-	-	-
	-----	-----	-----	-----
Balance - December 31, 2005	19,459,735	\$ 19,459	\$ 5,709,343	\$ (53,437)
	=====	=====	=====	=====

The accompanying notes are an integral part of the consolidated financial statements

F-5

ENVIRO VORAXIAL TECHNOLOGY, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31	
	2005	2004
	-----	-----
Cash Flows From Operating Activities:		
Net loss	\$ (1,091,005)	\$ (1,742,000)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	2,720	11,000
Additional compensation for options issued in excess of accrued compensation	-	377,000
Common stock issued for services	149,469	6,000
Amortization of deferred compensation	-	148,000
Options issued for consulting services	-	18,000
Deferred compensation	(42,437)	
Gain on sale of equipment	(2,142)	
Issuance of warrants for services	21,000	
Changes in assets and liabilities:		
Accounts receivable	-	10,000
Inventory	(47,034)	(9,000)
Prepaid insurance	3,000	(3,000)
Accounts payable and accrued expenses	255,617	(62,000)
Deposits from customers	(10,000)	10,000
	-----	-----

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Net cash used in operating activities	(760,812)	(1,236,000)
Cash Flows From Investing Activities:		
Purchase of equipment	(5,830)	
Sale of equipment	35,000	
Net cash provided by investing activities	29,170	
Cash Flows From Financing Activities:		
Proceeds from sales of common stock	587,333	1,322,000
Repayments of obligation under capital leases	-	(15,000)
Net cash provided by financing activities	587,333	1,307,000
Net increase (decrease) in cash and cash equivalents	(144,309)	71,000
Cash and cash equivalents, beginning of period	221,000	150,000
Cash and cash equivalents, end of period	\$ 76,691	\$ 221,000
Supplemental Disclosures		
Cash paid during the year for interest	\$ -	\$ 13,000
Cash paid during the year for taxes	\$ -	\$ -
Stock options issued to settle accrued compensation	\$ -	\$ 370,000
Common stock issued for deferred consulting	\$ 53,437	\$ 10,000
Common stock issued for conversion of convertible notes payable	\$ -	\$ 250,000
Common stock issued for consulting services	\$ 146,469	\$ 6,000

The accompanying notes are an integral part of the consolidated financial statements

F-6

ENVIRO VORAXIAL TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

NOTE A - ORGANIZATION AND OPERATIONS

Organization

Enviro Voraxial Technology, Inc. (the "Company") is a provider of environmental and industrial separation technology. The Company has developed and patented the Voraxial(R) Separator, which is a technology that efficiently separates solids

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

and liquids with distinct specific gravities. Potential commercial applications and markets include oil exploration and production, pre-treatment of wastewater at municipal wastewater (headworks) facilities, oil and water separation, and environmental cleanup.

Since 1999, the Company has been focusing its efforts on developing and marketing the Voraxial(R) Separator. The Company currently operates within two segments: the sales and marketing of the Voraxial(R) Separator and the manufacture of the Voraxial(R) Separator.

Florida Precision Aerospace, Inc. (FPA) is the wholly-owned subsidiary of the Company and is used to do contract work with the aerospace, automotive and defense contracting activity.

### NOTE B - GOING CONCERN

The Company has experienced net losses, has negative cash flows from operating activities, and has to raise capital to sustain operations. There is no assurance that the Company's developmental and marketing efforts will be successful, that the Company will ever have commercially accepted products, or that the Company will achieve a level of revenue sufficient to provide cash inflows to sustain operations. The Company will continue to require the infusion of capital until operations become profitable. During 2005, the Company anticipates seeking additional capital, increasing sales of the Voraxial(R) Separator and continuing to restrict expenditures. As a result of the above, the accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Principles of Consolidation

-----  
The consolidated financial statements include the accounts of the parent company, Enviro Voraxial Technology, Inc., and its wholly-owned subsidiary, Florida Precision Aerospace, Inc. All significant intercompany accounts and transactions have been eliminated.

#### Estimates

-----  
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and

F-7

ENVIRO VORAXIAL TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ.

#### Revenue Recognition

-----  
The Company presents revenue in accordance with Staff Accounting Bulletin (SAB) No. 104 "Revenue Recognition in Financial Statements". Under SAB 104, revenue is realized when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable and collectibility is reasonably

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

assured.

In accordance with the above, the Company recognizes revenue from rental of equipment, based on the terms of the agreement. Revenues from contracts are recognized upon customer acceptance of shipment.

Fair Value of Instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, inventory, accounts payable and accrued expenses at December 31, 2005, approximate their fair value because of their relatively short-term nature.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. The Company maintains its cash balances with various financial institutions. Balances at these institutions may at times exceed the Federal Deposit Insurance Corporate limits.

Inventory

Inventory consists of components for the Voraxial(R) Separator and is priced at lower of first-in, first-out cost or market. Inventory includes components held by third parties in connection with pilot programs as part of the continuing evaluation by such third parties as to the effectiveness and usefulness of the service to be incorporated into their respective operations.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The cost of maintenance and repairs is expensed to operations as incurred. Depreciation is computed by the straight-line method over the estimated economic useful life of the assets (5-10 years). Gains and losses recognized from the sales or disposal of assets is the difference between the sales price and the recorded cost less accumulated depreciation less costs of disposal.

Net Loss Per Share

Basic and diluted loss per share has been computed by dividing the net loss available to common stockholders by the weighted average number of common shares outstanding. The warrants and stock options have been excluded from the calculation since they would be anti-dilutive.

F-8

ENVIRO VORAXIAL TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

Such equity instruments may have a dilutive effect in the future and include the following potential common shares:

Warrants	5,589,367
Stock options	3,729,666
	-----
	9,319,033
	=====

Income Taxes

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

### Research and Development Expenses

-----

Research and development costs, which consist of travel expenses, consulting fees, subcontractors and salaries are expensed as incurred.

### Advertising Costs

-----

Advertising costs are expensed as incurred and are included in general and administrative expenses. Amounts incurred for advertising as of December 31, 2005 and 2004 were \$10,121 and \$15,000, respectively.

### Stock-Based Compensation

-----

The Company accounts for stock-based employee compensation under Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," and SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," which was released in December 2002 as an amendment of SFAS No. 123. The Company currently accounts for stock-based compensation under the fair value method using the Black-Scholes option pricing model as indicated in Note G.

### Accounting for the Impairment of Long-Lived Assets

-----

The long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. It is reasonably possible that these assets could become impaired as a result of technology or other industry changes. Determination of recoverability of assets to be held and used is by comparing the carrying amount of an asset to future net undiscounted cash flows to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying

F-9

ENVIRO VORAXIAL TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

amount of assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. There were no impairments of long-lived assets in 2005 and 2004.

### Recent Accounting Pronouncements

-----

#### Share-Based Payment

In December 2004, the FASB issued a revision of SFAS 123 (SFAS 123(R)) that requires compensation costs related to share-based payment transactions to be recognized in the statement of operations. With limited exceptions, the amount of compensation cost will be measured based on the grant-date fair value of the

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

equity or liability instruments issued. In addition, liability awards will be re-measured each reporting period. Compensation cost will be recognized over the period that an employee provides service in exchange for the award. SFAS 123(R) replaces SFAS 123 and is effective as of February 1, 2006. Based on zero shares and awards outstanding as of January 31, 2006, the adoption of SFAS 123(R) would have no impact on earnings for the fiscal year.

In March 2005, the U.S. Securities and Exchange Commission, or SEC, released Staff Accounting Bulletin (SAB) 107, "Share-Based Payments". The interpretations in SAB 107 express views of the SEC staff, or staff, regarding the interaction between SFAS 123R and certain SEC rules and regulations, and provide the staff's views regarding the valuation of share-based payment arrangements for public companies. In particular, SAB 107 provides guidance related to share-based payment transactions with non-employees, the transition from nonpublic to public entity status, valuation methods (including assumptions such as expected volatility and expected term), the accounting for certain redeemable financial instruments issued under share-based payment arrangements, the classification of compensation expense, non-GAAP financial measures, first-time adoption of SFAS 123R in an interim period, capitalization of compensation cost related to share-based payment arrangements, the accounting for income tax effects of share-based payment arrangements upon adoption of SFAS 123R, the modification of employee share options prior to adoption of SFAS 123R and disclosures in Management's Discussion and Analysis subsequent to adoption of SFAS 123R. SAB 107 requires stock-based compensation be classified in the same expense lines as cash compensation is reported for the same employees. The Company and management is reviewing SAB 107 in conjunction with its review of SFAS 123R.

### Non-monetary Exchange

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Non-monetary Assets--An Amendment of Accounting Principles Board (APB) Opinion No. 29, Accounting for Non-monetary Transactions" ("SFAS 153"). SFAS 153 eliminates the exception from fair measurement for non-monetary exchanges of similar productive assets in paragraph 21(b) of APB Opinion No. 29, "Accounting for Non-monetary Transactions," and replaces it with an exception for exchanges that do not have

F-10

ENVIRO VORAXIAL TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

commercial substance. SFAS 153 specifies that a non-monetary exchange has commercial substance if the future cash flows of the entity expected to change significantly as a result of the exchange. SFAS 153 is effective for fiscal periods beginning after June 15, 2005. The adoption of SFAS 153 is not expected to have a material impact on the Company's current financial condition or results of operations.

### Conditional Asset Retirement

In March 2005, the FASB issued FASB Interpretation (FIN) No. 47 - "Accounting for Conditional Asset Retirement Obligations - an Interpretation of SFAS 143 (FIN No. 47)". FIN No. 47 clarifies the timing of liability recognition for legal obligations associated with the retirement of a tangible long-lived asset when the timing and/or method of settlement are conditional on a future event. FIN No. 47 is effective no later than December 31, 2005. FIN No. 47 did not impact the Company for the year ended January 31, 2006.



## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

### Accounting Changes and Error Corrections

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections, a Replacement of APB No. 20 and FASB 3". SFAS No. 154 requires retrospective application to prior periods' financial statements of a voluntary change in accounting principle unless it is impracticable. APB Opinion No. 20 "Accounting Changes," previously required that most voluntary changes in accounting principle be recognized by including in net income of the period of the change the cumulative effect of changing to the new accounting principle.

### NOTE D - CONCENTRATION OF CREDIT RISK

One customer accounted for approximately 80% of revenue for the years end December 31, 2005 and 2004. There were no outstanding receivables from this customer for either year.

### NOTE E - FIXED ASSETS

Fixed assets as of December 31, 2005 consists of:

	2005
Machinery and equipment	\$ 278,929
Furniture and fixtures	14,498
Total	293,427
Less: accumulated depreciation	(288,089)
Fixed Assets, net	\$ 5,338

F-11

ENVIRO VORAXIAL TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

Depreciation expense for the years ended December 31, 2005 and 2004 amounted to \$2,720 and \$11,000 respectively.

### NOTE F - RELATED PARTY TRANSACTIONS

For the years ended December 31, 2005 and 2004, the Company incurred consulting expenses from the chief executive officer and majority stockholder of the Company of \$165,000 each year. Of these amounts, approximately \$43,000 and \$25,000 have been paid out for the years ended December 31, 2005 and 2004, respectively. The unpaid balance has been included in accrued expenses.

### NOTE G - CAPITAL TRANSACTIONS

#### Common stock

On January 15, 2004, the Company issued options to purchase an aggregate of 1,394,666 shares of common stock to the Company's chief executive officer, one employee and one consultant, in consideration for such individuals accrued compensation in the aggregate amount of \$370,000. Options to purchase 697,333 shares of our common stock are exercisable at \$0.60 and options to purchase 697,333 shares of our common stock are exercisable at \$1.00. The options are

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

exercisable for a period of five years commencing January 15, 2004. The Company estimated the fair value of the stock options at the grant date by using the Black-Scholes option-pricing model, with the following weighted average assumptions: no dividend yield for all years, expected volatility of 80%, risk-free interest rate of 4% and an expected life of 5 years, resulting in a fair value of \$747,000, and additional compensation expense of \$370,000.

In January 2004, the Company issued 170,000 shares of common stock to a consultant valued at \$138,000 based on the closing market price of the Company's common stock on the date of the agreement. This amount is being amortized over the one year life of the consulting agreement, resulting in consulting expense of \$127,000 in 2004. The remaining unamortized balance of \$11,000 has been expensed in 2005.

In January 2004, the Company closed a private placement which commenced in 2003. Under the private placement the Company sold an aggregate of 61,666 shares of restricted common stock at \$0.60 per share plus warrants to purchase 61,666 shares of common stock at an exercise price of \$1.00 per share to four investors for proceeds of \$37,000 during the three months ended June 30, 2004. The warrants are exercisable for a period of five years from the date of closing.

On February 18, 2004, the Company issued options to purchase an aggregate of 30,000 shares of common stock exercisable at \$0.71 per share to three individuals as consideration for joining the Company's advisory committee. The options were initially exercisable until February 18, 2006, but have been extended to February 18, 2007. The Company calculated estimate of the fair value

F-12

### ENVIRO VORAXIAL TECHNOLOGY, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2005 AND 2004

of the stock options at the grant date by using the Black-Scholes option-pricing model, with the following weighted average assumptions: no dividend yield for all years, expected volatility of 80%, risk-free interest rate of 4% and an expected life of 3 years, resulting in a fair value of \$18,000. This amount was expensed in 2004.

In February 2004, the Company extended the exercisable life of certain warrants issued to investors to purchase an aggregate of 243,200 shares of common stock issued in 2000 for a period of one year. The warrants now expire in February 2006.

In February 2004, the Company extended the exercisable life of certain warrants issued to investors to purchase an aggregate of 200,000 shares of common stock issued in 2001 for a period of one year. The warrants now expire in April 2006.

During January and February 2004, the Company issued convertible notes to three individuals in the aggregate amount of \$250,000 through a convertible note agreement whereby the notes automatically convert into securities of the Company pursuant to the terms of a private placement initiated in March 2004. Effective May 5, 2004, the notes converted into 250,000 shares.

From May 2004 through August 2004, the Company sold an aggregate of 1,935,000 units of securities to 41 investors for gross proceeds of \$1,451,000 under the private placement. The Company has paid a placement agent a commission of 10% of the gross proceeds and a non-accountable expense allowance of 3% of the gross

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

proceeds and issued the placement agent warrants to purchase six shares of common stock (three shares at \$0.75 and three shares at \$1.00) for each 20 units sold in the offering. Each unit consisted of one share of restricted common stock at \$0.75 per share and one warrant to purchase one share of common stock at \$1.00 per share. The warrants are exercisable for a period of five years from the date of closing.

On June 30, 2004, the Company issued 7,100 shares of our common stock to an individual in consideration for services rendered. The number of shares issued was based on the fair value of the consulting services. The Company has expensed \$6,000 in 2004.

In July 2004, the Company issued 100,000 shares of common stock, pertaining to a 2001 offering that were recorded as stock to be issued at December 31, 2003.

In January 2005, the Company entered into a one-year consulting agreement with its former Chief Operating Officer for engineering design, marketing and sales of Company products and services. Pursuant to this agreement, the Company granted 50,000 warrants to this individual exercisable at \$1.00 per share. These warrants vest equally in 12 tranches over a period of one year commencing in January, 2005 and expire in January 2008. The Company calculated the fair value of the warrants at the grant date by using the Black-Scholes option-pricing model with the following weighted average assumptions: no dividend yield for all the years; expected volatility of 133%; risk-free interest rate of 3% and an expected life of 3 years, resulting in a fair value of approximately \$21,000.

F-13

ENVIRO VORAXIAL TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

In May 2005, the Company issued 75,000 shares of common stock to a consultant, valued at \$57,000, which is based on the closing market price of the Company's common stock on the date of the agreement. In addition, the Company paid \$40,000 in cash to the consultant, which has been amortized over the life of the consulting agreement of four months. During November 2005, the Company issued an additional 225,000 shares per the terms of the agreement. These shares were valued at \$85,500, which is based on the closing market price of the Company's common stock on the date of the agreement.

During 2005, the Company issued 1,468,333 shares of restricted common stock at \$.40 per share, with total proceeds of \$587,333 being received.

In July 2005, the Company entered into a consulting agreement. The terms of agreement included issuance of 15,000 shares of common stock for services rendered. The number of shares issued was based on the fair value of the consulting services of \$7,650.

### Options

-----

Information with respect to employee stock options outstanding and employee stock options exercisable at December 31, 2005 is as follows:

Options Outstanding	Vested Shares	Exercise Price Per Common Share
-----	-----	-----

We  
Ex  
Op

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Balance, December 31, 2002	2,245,000	1,115,000	\$0.15-\$0.77
Granted/vested during the year	10,000	1,120,000	\$1.00
Balance, December 31, 2002	2,245,000	2,235,000	\$0.15-\$1.00
Granted/vested during the year	1,424,666	1,424,666	\$0.15-\$1.00
Balance, December 31, 2004	3,679,666	3,659,666	\$0.15-\$1.00
Granted/vested during the year	50,000	50,000	\$1.00
Balance, December 31, 2005	3,729,666	3,709,666	\$0.15-\$1.00

The following table summarizes information about the stock options outstanding at December 31, 2005

Exercise Price	Number Outstanding at December 31, 2005	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at December 31, 2005
0.30	45,000	0.87	0.30	45,000
0.77	200,000	1.13	0.77	200,000
0.15	2,000,000	1.55	0.15	2,000,000
1.00	10,000	1.00	1.00	10,000
0.60	697,333	3.13	0.60	697,333
1.00	697,333	3.13	1.00	697,333
1.00	50,000	3.00	1.00	50,000
0.71	30,000	1.17	0.71	30,000
	3,729,666			3,729,666

F-14

ENVIRO VORAXIAL TECHNOLOGY, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 DECEMBER 31, 2005 AND 2004

Warrants

	Number Outstanding	Range of Exercise Price
Balance - December 31, 2002	1,477,200	\$1.00 - \$9.00
Issued	1,585,002	\$1.00
Balance, December 31, 2003	3,062,202	\$1.00 - \$9.00
Issued	2,527,165	\$0.75 - \$1.00
Balance, December 31, 2004	5,589,367	\$0.75 - \$9.00
Balance, December 31, 2005	5,589,367	\$0.75 - \$9.00

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

### NOTE H - INCOME TAXES

Deferred income taxes arise from timing differences resulting from income and expense items reported for financial accounting and tax purposes in different periods. A deferred tax asset valuation allowance is recorded when it is more likely than not that deferred tax assets will not be realized. There are no deferred taxes for the year ended December 31, 2005.

There was no income tax expense for the year ended December 31, 2005 due to the Company's net losses. Due to an estimated net operating loss carry-forward of approximately \$5,885,000 available to offset future taxable income through 2019 and recoverability is not certain, there is no expected tax benefit calculated.

### NOTE I - COMMITMENTS AND CONTINGENCIES

#### Employment Agreements

-----  
The Company entered into an employment agreement dated January 17, 2002 with an individual to serve as the Vice President and Director of Business Development. The agreement provides for a contingent bonus to be paid to this employee in the amount of \$300,000 to improve the financial condition of the Company. Such bonus is payable upon the Company obtaining a total of \$3 million of financing or when revenue exceeds \$1 million. In 2002, this individual was granted stock options to purchase 2 million shares of common stock with an exercise price of \$0.15 per share. The market price at the date of grant was \$0.12 per share.

The Company hired two employees under employment agreements that commenced in January 2003. The combined salaries for 2003 are \$215,000 subject to annual increases beginning in 2004. Both agreements have a term of 5 years. One agreement provided for the granting of up to 300,000 cashless exercise warrants to purchase common stock at \$1 per share which may result in a significant charge to operations in the future. This agreement was terminated by mutual agreement on December 31, 2004, and only 150,000 warrants were vested and are

F-15

ENVIRO VORAXIAL TECHNOLOGY, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004

exercisable. The other agreement provides for the granting of 10,000 stock options to purchase common stock at \$1 per share exercisable ratably over two years from the date of grant.

#### Operating Lease

-----  
The Company leases office and warehouse space in Ft. Lauderdale, Florida under a business lease agreement for a three-year term ending in August 2007. Minimum future lease payments for the next two years are as follows:

Years ending December 31,  
-----

2006	\$ 63,700
2007	42,467
	-----
	106,167
	-----

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Rent expense charged to operations amounted to \$62,000 and \$60,000 in 2005 and 2004, respectively.

NOTE J - SUBSEQUENT EVENTS

In March 2006, a Voraxial(R) 4000 Separator was sold to ConocoPhillips for produced water separation. The machine will be used to enhance the handling of large volumes of produced water and water injection on at a production facility.

F-16

ENVIRO VORAXIAL TECHNOLOGY, INC. AND SUBSIDIARY  
CONSOLIDATED FINANCIAL INFORMATION  
SEPTEMBER 30, 2006 and 2005

Table of Contents

Condensed Consolidated Balance Sheet - September 30, 2006 (Unaudited).....	
Condensed Consolidated Statements of Operations for the Three Months and Nine Months Ended September 30, 2006 and 2005 (Unaudited).....	
Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2006 and 2005 (Unaudited).....	

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Notes to Condensed Consolidated Financial Statements (Unaudited).....

F-17

ENVIRO VORAXIAL TECHNOLOGY, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEET

	30-Sep 2006
	----- (Unaudited)
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 381,492
Accounts receivable	41,430
Inventory	197,132
Prepaid expenses	8,997
	-----
Total current assets	629,051
FIXED ASSETS, NET	4,897
OTHER ASSETS	10,000
	-----

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Total assets	\$ 643,948
	=====
LIABILITIES AND SHAREHOLDERS' DEFICIT	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	\$ 589,515
	-----
Total current liabilities	589,515
	-----
Total liabilities	589,515
	-----
COMMITMENTS AND CONTINGENCIES	
SHAREHOLDERS' DEFICIT:	
Common stock, \$.001 par value, 42,750,000 shares authorized	
21,492,235 shares issued and outstanding	21,492
Additional paid-in capital	6,520,330
Deferred consulting	(20,000)
Accumulated deficit	(6,467,389)
	-----
Total shareholders' deficit	54,433
	-----
Total liabilities and shareholders' deficit	\$ 643,948
	=====

The accompanying notes are an integral part of the consolidated financial statements.

F-18

ENVIRO VORAXIAL TECHNOLOGY, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended September 30,		Nine Mon
	2006	2005	2006
	(Unaudited)	(Unaudited)	(Unaudit
Revenues, net	\$ 46,261	\$ 8,000	\$ 20
Cost of goods sold	6,423	-	7
	-----	-----	-----
Gross Profit	39,838	8,000	\$ 13
Costs and expenses:			
General and administrative	135,748	106,000	44
Research and development	102,408	260,000	28



Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

Total costs and expenses	238,156	366,000	72
Loss from operations	(198,318)	(358,000)	\$ (58)
Other income			
Gain on sale of equipment	-	-	
Total other income	-	-	
NET LOSS	\$ (198,318)	\$ (358,000)	\$ (58)
Weighted average number of common shares outstanding-basic & diluted	20,751,262	18,279,323	20,06
Basic and diluted loss per common share	\$ (0.01)	\$ (0.02)	\$

The accompanying notes are an integral part of the consolidated financial statements.

F-19

ENVIRO VORAXIAL TECHNOLOGY, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months En	
	2006	
	(Unaudited)	
Cash Flows From Operating Activities:		
Net loss	\$	(585,384)
Adjustments to reconcile net loss to net		

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

cash used by operating activities:		
Depreciation		531
Gain on sale of equipment		-
Common stock issued for services		60,000
Amortization of deferred compensation		33,367
Deferred compensation		20,000
Changes in assets and liabilities:		
Accounts receivable		(41,430)
Inventory		(71,098)
Prepaid insurance		(8,997)
Accounts payable and accrued expenses		164,812
Deposits from customers		-
		-----
Net cash used in operating activities		(428,199)
		-----
Cash Flows From Investing Activities:		
Purchase of equipment		-
Proceeds from sale of equipment, net		-
		-----
Net cash provided by investing activities		-
		-----
Cash Flows From Financing Activities:		
Proceeds from sales of common stock		733,000
		-----
Net cash provided by financing activities		733,000
		-----
Net increase in cash and cash equivalents		304,801
Cash and cash equivalents, beginning of period		76,691
		-----
Cash and cash equivalents, end of period	\$	381,492
		=====
Supplemental Disclosures		
Cash paid during the year for interest	\$	-
		=====
Cash paid during the year for taxes	\$	-
		=====
Common stock issued for deferred consulting	\$	20,000
		=====
Common stock issued for consulting services	\$	60,000
		=====
Warrants issued for services	\$	-
		=====

The accompanying notes are an integral part of the consolidated financial statements.

F-20

NOTE A - ORGANIZATION AND OPERATIONS

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

### Organization

-----

Enviro Voraxial Technology, Inc. (the "Company") is a provider of environmental and industrial separation technology. The Company has developed and patented the Voraxial(R) Separator, which is a technology that efficiently separates solids and liquids with distinct specific gravities. Potential commercial applications and markets include oil exploration and production, oil and water separation, environmental cleanup and pre-treatment of wastewater at municipal wastewater (headworks) facilities.

Florida Precision Aerospace, Inc. (FPA) is the wholly owned subsidiary of the Company and is used to do contract work with the aerospace, automotive and defense contracting activity.

In March 2006, a Voraxial(R) 4000 Separator was sold to ConocoPhillips for produced water separation. The machine will be used to enhance the handling of large volumes of produced water and water injection at a production facility.

In September 2006, the Company received an order to supply Transocean Inc. semisubmersible rig Sedco 702 with a Voraxial 2000 Offshore Deck Water Drainage System. The System will be utilized to handle and separate contaminated drill floor run-off water containing solids and drilling fluids.

### NOTE B - GOING CONCERN

The Company has experienced net losses and negative cash flows from operating activities. They will need to raise capital to sustain operations. There is no assurance that the Company will ever have commercially accepted products, that their developmental and marketing efforts will be successful or that they will achieve a level of revenue sufficient to provide cash inflows to sustain operations. The Company will continue to require the infusion of capital until operations become profitable. During 2006, the Company anticipates seeking additional capital, increasing sales of the Voraxial(R) Separator and continuing to restrict expenditures. As a result of the above, the accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Interim Financial Statements

-----

The interim financial statements presented herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. The interim financial statements should be read in conjunction with the Company's annual financial statements, notes and accounting policies included in the Company's annual report on Form 10-KSB for the year ended December 31, 2005 as filed with the SEC. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary to provide a fair presentation of financial position as of September 30, 2006 and the related operating results and cash flows for the interim period presented have been made. The results of operations, for the period presented are not necessarily indicative of the results to be expected for the year.

F-21

### NOTE D - CAPITAL TRANSACTIONS

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

### Common stock

-----

In January 2006, the Company extended the exercisable life of certain warrants issued to investors to purchase an aggregate of 243,200 shares of common stock issued in 2000 for a period of one year. The warrants now expire in February 2007.

In January 2006, the Company extended the exercisable life of certain warrants issued to investors to purchase an aggregate of 200,000 shares of common stock issued in 2001 for a period of one year. The warrants now expire in April 2007.

In January 2006, the Company issued 100,000 shares of common stock to a consultant, valued at \$40,000, which is based on the closing market price of the Company's common stock on the date of the agreement.

During the six months ended June 30, 2006 the Company sold 720,000 shares of common stock for \$0.40 per share in a private placement offering. Total proceeds from the sale were \$288,000.

In August 2006, the Company issued 100,000 shares of common stock to a consultant, valued at \$40,000, which is based on the closing market price of the Company's common stock on the date of the agreement.

During the three months ended September 30, 2006 the Company sold 1,112,500 shares of common stock for \$.40 per share in a private placement offering. Total proceeds from the sale were \$445,000.

### Options

-----

Information with respect to employee stock options outstanding and employee stock options exercisable at September 30, 2006 is as follows:

	Options Outstanding	Vested Shares	Exercise Price Per Common Share
Balance, December 31, 2005	3,729,666	3,709,666	\$0.15-\$1.00
Granted/vested during the quarter	-	-	-
Balance, March 31, 2006	3,729,666	3,709,666	\$0.15-\$1.00
Granted/vested during the quarter	-	-	-
Balance, September 30, 2006	3,729,666	3,709,666	\$0.15-\$1.00

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

The following table summarizes information about the stock options outstanding at September 30, 2006:

Exercise Price	Number Outstanding at September 30, 2006	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at September 30, 2006
0.30	45,000	0.87	0.30	45,000
0.77	200,000	1.13	0.77	200,000
0.15	2,000,000	1.55	0.15	2,000,000
1.00	10,000	1.00	1.00	10,000
0.60	697,333	3.13	0.60	697,333
1.00	697,333	3.13	1.00	697,333
1.00	50,000	3.00	1.00	50,000
0.71	30,000	1.17	0.71	30,000
	----- 3,729,666 -----			----- 3,729,666 -----

### Warrants

Information with respect to warrants outstanding and exercisable at September 30, 2006 is as follows:

	Number Outstanding	Range of Exercise Price	Number Exercisable
Balance, December 31, 2005	5,589,367	\$0.75 - \$9.00	5,589,367
Issued			
Balance, March 31, 2006	5,589,367	\$0.75 - \$9.00	5,589,367
Issued			
Balance, September 30, 2006	----- 5,589,367 -----	\$0.75 - \$9.00	----- 5,589,367 -----

### NOTE E - CONCENTRATION

#### Revenues

For the nine months ended September 30, 2006, the Company generated over 80% of its revenues from one customer.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT OR THAT WE HAVE REFERRED YOU TO. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THOSE TO WHICH IT RELATES OR AN OFFER TO SELL, OR A SOLICITATION OF ANY OFFER TO BUY, TO ANY PERSON IN ANY JURISDICTION WHERE SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THE INFORMATION SET FORTH HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

TABLE OF CONTENTS

Prospectus Summary.....  
Forward-Looking Statements.....  
Risk Factors.....  
Capitalization.....  
Price Range of common stock and Dividend Policy.....  
Use of Proceeds.....  
Management's Discussion and Analysis or Plan of Operation.....  
Business.....  
Management.....  
Certain Transactions.....  
Principal Shareholders.....  
Description of Securities.....  
Selling Shareholders.....  
Plan of Distribution.....  
Shares Eligible for Future Sale.....  
Legal Matters.....  
Experts.....  
Additional Information.....  
Financial Statements.....

9,543,363 Shares

Enviro Voraxial Technology, Inc.

-----  
PROSPECTUS  
-----

\_\_\_\_\_, 2007

PART TWO

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Idaho Statutes (the "Idaho Statutes") permits the indemnification of directors, employees, officers and agents of Idaho corporations. Our Articles of Incorporation (the "Articles") and Bylaws provide that we shall indemnify its directors and officers to the fullest extent permitted by the Idaho Statutes.

The provisions of the Idaho Statutes that authorize indemnification do not eliminate the duty of care of a director, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Idaho. In addition, each director will continue to be subject to liability for (a) violations of criminal laws, unless the director had reasonable cause to believe his conduct was lawful or had no reasonable cause to believe his conduct was unlawful, (b) deriving an improper personal

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

benefit from a transaction, (c) voting for or assenting to an unlawful distribution and (d) willful misconduct or conscious disregard for our best interests in a proceeding by or in the right of a shareholder. The statute does not affect a director's responsibilities under any other law, such as the Idaho securities laws.

The effect of the foregoing is to require us to indemnify our officers and directors for any claim arising against such persons in their official capacities if such person acted in good faith and in a manner that he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to our directors, officers or persons in control pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the act and is therefore unenforceable.

Item 25. Other Expenses of Issuance and Distribution

The estimated expenses payable by us in connection with the distribution of the securities being registered are as follows:

SEC Registration and Filing Fee.....	.....
Legal Fees and Expenses*.....	.....
Accounting Fees and Expenses*.....	.....
Financial Printing*.....	.....
Transfer Agent Fees*.....	.....
Blue Sky Fees and Expenses*.....	.....
Miscellaneous*.....	.....
TOTAL.....	.....

-----  
\* Estimated

II-1

None of the foregoing expenses are being paid by the selling shareholders.

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES

In April 2001, we raised \$100,000 through the private placement of our securities pursuant to Regulation D of the Securities Act. We sold 1,000 units containing share of our common stock and warrants to 1 investor. Each unit was comprised of 100 shares of restricted common stock, par value \$.001, and 200 common stock purchase warrants, of which 100 warrants are exercisable at \$3.00 per share and 100 warrants are exercisable at \$4.00 per share. The warrants expire April 2007. The transaction was exempt from registration under Section 4(2) of the Securities Act.

In July 2001, we raised \$20,000 through a private transaction whereby



## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

the Company issued 23,530 shares of restricted common stock at \$.85 per share to an individual investor. The transaction was exempt from registration under Section 4(2) of the Securities Act.

On January 17, 2002, we issued options to purchase 2,000,000 shares of our common stock at an exercise price of \$.15 per share. The market price at the date of the grant was \$.12 per share. These options were issued pursuant to an employment agreement. In addition, during year ended December 31, 2002, we also issued stock options to purchase 200,000 shares of common stock to an additional employee of our Company. These options have an exercise price of \$.77 per share.

On December 31, 2002, we issued 6,000,000 shares of common stock to Alberto DiBella pursuant to the automatic conversion rights of the preferred stock held by Mr. DiBella. The 6,000,000 shares of preferred stock held by Mr. DiBella were returned to treasury and cancelled.

During the year ended December 31, 2002, we sold 5.17 units of securities at \$60,000 per unit in a private placement to 5 investors. Each unit consisted of 100,000 shares of common stock, 100,000 warrants to purchase 100,000 shares of common stock at an exercise price of \$1 per share and 100,000 warrants to purchase 100,000 shares of common stock at an exercise price of \$1.25 per share. The warrants issued at \$1 per share are callable at par value provided the stock trades above \$1.50 per share for 20 consecutive trading days. The warrants issued at \$1.25 per share are callable at par value provided the stock trades above \$2 per share for 20 consecutive trading days. Net proceeds received by our Company aggregated \$286,000. The warrants are exercisable from the date of issuance through December 2007. No warrants have been exercised through December 31, 2002. The transaction was exempt from registration under Section 4(2) of the Securities Act.

During the year ended December 2003, we sold an aggregate of 8.08 units of securities to 30 investors for proceeds of \$808,000. Each unit consisted of 166,666 shares of restricted common stock at \$0.60 per share and 166,666 warrants to purchase 166,666 shares of common stock at \$1.00 per share. The warrants are exercisable for a period of five years from the date of closing. The investors received information concerning our company and had the opportunity to ask questions to the viability of our company. A total of 1,346,665 warrants were issued in this Offering. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.

In January 2004, we closed a private placement, which commenced in 2003. Under the private placement we sold an aggregate of 61,666 shares of

II-2

restricted common stock at \$0.60 per share and 61,666 warrants to purchase 61,666 shares of common stock at \$1.00 per share to four investors for proceeds of \$37,000. The warrants are exercisable for a period of five years from the date of closing. The transactions were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares and warrants contain legends restricting their transferability absent registration or applicable exemption.

From May 2004 through August 2004, the Company sold an aggregate of 1,935,000 units of securities to 38 accredited investors for gross proceeds of \$1,451,250 under the private placement. The Company has paid Bathgate Capital, a placement agent, a commission of 10% of the gross proceeds and a non-accountable expense allowance of 3% of the gross proceeds and issued the placement agent warrants to purchase six shares of common stock (three shares at \$0.75 and three

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

shares at \$1.00) for each 20 units sold in the offering. Each unit consisted of one share of restricted common stock at \$0.75 per share and one warrant to purchase one share of common stock at \$1.00 per share. The warrants are exercisable for a period of five years from the date of closing. The transactions were exempt from registration under Regulation D, Rule 506 of the Securities Act. All of the investors were deemed accredited. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares and warrants contain legends restricting their transferability absent registration or applicable exemption.

On June 30, 2004, we issued 7,100 shares of our common stock to an individual in consideration for services rendered. The shares were issued pursuant to the exemption from registration under Section 4(2) of the Securities Act. The service provider received information concerning the Company and had the opportunity to ask questions concerning the Company. The shares issued contain a legend restricting transferability absent registration or applicable exemption.

During fiscal year 2005, the Company received capital from ten accredited investors to purchase an aggregate of 1,468,333 shares of the Company's restricted common stock at \$0.40 per share for gross proceeds of \$587,333. The issuances were exempt from registration under Section 4(2) of the Securities Act. Commissions paid to registered brokers and other expenses related to the Offering were approximately \$50,000. The investors received information concerning the Company and has the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.

In May 2005, the Company issued 75,000 shares of common stock to a consultant valued at \$57,000 based on the closing market price of the Company's common stock on the date of the agreement. In addition, the Company paid \$40,000 in cash to this consultant. These amounts are amortized over the life of the consulting agreement of four months, resulting in consulting expense of \$97,000 for the nine months ended September 30, 2005. In November 2005, this consultant received another 225,000 shares of common stock valued at \$85,500 based on the closing market price of the Company's common stock on the date of the agreement. The shares were issued pursuant to the exemption from registration under Section 4(2) of the Securities Act. The consultant received information concerning the Company and had the opportunity to ask questions concerning the Company. The shares issued contain a legend restricting transferability absent registration or applicable exemption.

On July 1, 2005, the Company entered into a consulting agreement and agreed to issue 15,000 shares for services performed by a consultant, which were

II-3

valued at \$7,650. The shares were issued pursuant to the exemption from registration under Section 4(2) of the Securities Act. The service provider received information concerning the Company and had the opportunity to ask questions concerning the Company. The shares issued contain a legend restricting transferability absent registration or applicable exemption.

In January 2006, the Company issued 100,000 shares of common stock to a consultant, valued at \$40,000, which is based on the closing market price of the Company's common stock on the date of the agreement. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

In January 2006, the Company issued 100,000 shares of common stock to a consultant, valued at \$40,000, which is based on the closing market price of the Company's common stock on the date of the agreement. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.

In August 2006, the Company issued 100,000 shares of common stock to a consultant, valued at \$40,000, which is based on the closing market price of the Company's common stock on the date of the agreement. In November 2006, the Company issued 100,000 shares of common stock to a consultant, valued at \$45,000, which is based on the closing market price of the Company's common stock on the date of the agreement. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.

During the twelve months ended December 30, 2006 the Company sold 2,232,500 shares of common stock for \$0.40 per share in a private placement offering to 18 accredited investors. Total proceeds from the sale were \$893,000. The issuances were exempt from registration under Section 4(2) of the Securities Act. The investors received information concerning the Company and had the opportunity to ask questions concerning the viability of the Company. The shares contain legends restricting their transferability absent registration or applicable exemption.

### ITEM 27. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description of Document
2.1	Agreement and Plan of Reorganization dated May 1996 (1)
3.1	Articles of Incorporation, as amended (1)
3.2	Bylaws (1)
4.1	Form of Stock Certificate (1)
5.1	Opinion of Arnstein & Lehr LLP (to be filed by amendment)

### II-4

10.1	Form of Warrant Agreement (filed herein)
10.2	Form of Option Agreement (filed herein)
16.1	Letter from former independent accountant (2)
23.1	Consent of Current Independent Auditor (filed herein)
23.2	Consent of Arnstein & Lehr LLP (included in exhibit 5.1)
(1)	Previously filed on Form 10SB Registration Statement, as amended, on January 19, 2000 (file 000-30454).
(2)	Previously filed on Form 8-K Current Report dated March 14, 2005.

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

### ITEM 28. UNDERTAKINGS

The undersigned Registrant undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission (the "Commission") such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the

II-5

successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be

## Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

II-6

### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on this Form SB-2 and authorized this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Fort Lauderdale, Florida on February 26, 2007.

ENVIRO VORAXIAL TECHNOLOGY, INC.

Edgar Filing: ENVIRO VORAXIAL TECHNOLOGY INC - Form SB-2

By: /s/ Alberto DiBella  
-----

Alberto DiBella, Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature -----	Title -----	Date -----
/s/Alberto DiBella ----- Alberto DiBella	Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial and accounting officer)	February 26, 2007
/s/John A. DiBella ----- John A. DiBella	Vice President	February 26, 2007