ENVIRO VORAXIAL TECHNOLOGY INC
Form S-1/A
April 30, 2008

As filed with the Securities and Exchange Commission on April 30, 2008

Registration No. 333-140929

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

AMENDMENT NO. 3 ON FORM S-1/A TO

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 Incorporation or Organization)	(Primary Standard Industrial Classification Number)	(I.R.S. Employer 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 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. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated file, a non-accelerated file, or a smaller reporting company. See the definitions of "large accelerated file," "accelerated file" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ]　　Accelerated filer [ ]

Non-accelerated filer [ ] (Do not check if a smaller reporting company　　Smaller reporting company [X]

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

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(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 exercise price of the respective option or warrant.

(3) Fee paid.

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 by 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.

Registrant initially filed this registration statement on Form SB-2. Pursuant to SEC Release No. 33-8876 this amendment to the registration statement is filed on Form S-1; however, the Registrant elects to keep the Form SB-2 disclosure format in the amendment for up to six months from the effective date of the new rules.

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.

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SUBJECT TO COMPLETION: DATED APRIL 30, 2008

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 April 19, 2008, the closing price for our common stock was $0.43.

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.

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 December 31, 2007 of $8,637,316. 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

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 December 31, 2007, there are 23,122,135 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.

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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, 2007 and for the year ended December 31, 2007 are derived from our audited financial statements, included elsewhere in this Prospectus, by Jewett, Schwartz & Associates & Co., LLP independent public accountants. 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 December 31, 2007	December 31, 2006
Net sales	$ 288,431	$ 310,376
Cost of sales	$ 77,246	$ 134,499
Gross profit	$ 211,185	$ 175,877
Operating expenses	$2,129,189	$1,014,156
Net loss	($1,921,780)	($ 838,279)
Weighted average number of common shares outstanding:		
Basic & Diluted	18,282,808	18,257,808
Net loss per common share:		
Basic & Diluted	($0.11)	($0.05)

BALANCE SHEET DATA

	December 31, 2007
Working capital (deficit)	($ 191,322)
Total assets	$ 736,270

Total liabilities................................	$ 829,608
Shareholders' equity.............................	($ 93,338)

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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, 2007, we had an accumulated deficit of $8,637,316, including a net loss of $1,921,780 for the year ended December 31, 2007. 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.

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:

- significantly greater financial, technical and human resources than we have and may be better equipped to discover, develop, manufacture and commercialize products; and

- 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:

- the patentability of our inventions relating to our product; and/or

- 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.

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.

CAPITALIZATION

The following tables set forth our capitalization as of December 31, 2007. The tables should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus.

	December 31, 2007
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; 23,122,135 shares issued and outstanding	
Additional paid-in capital	
Accumulated deficit	
Total shareholders' equity	
Total liabilities and shareholders equity	

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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. 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 April 24, 2008, the closing price for our common stock was $0.43. 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, 2006	$0.70	$0.50
June 30, 2006	$0.79	$0.48
September 30, 2006	$0.60	$0.46
December 31, 2006	$0.61	$0.46
March 31, 2007	$0.69	$.045
June 30, 2007	$0.84	$0.58
September 30, 2007	$0.94	$0.70
December 31, 2007	$0.72	$0.44
March 31, 2008	$0.79	$0.39

HOLDERS

As of December 31, 2007, 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.

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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 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 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 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 4000 Separator to ConocoPhillips for produced water separation. The Company is presently marketing the developing Voraxial Separator as a potential solution for various applications and markets including oil-water separation and oil exploration and production.

RESULTS OF OPERATIONS YEAR ENDED DECEMBER 31, 2007 COMPARED TO YEAR ENDED DECEMBER 31, 2006

REVENUE

We continued to focus our efforts and resources to the manufacturing, assembling, marketing and selling of the Voraxial(R) Separator. Revenues remained fairly constant for year ended December 31, 2007 as compared to December 31, 2006. Revenues for the year ended December 31, 2007 were $288,431 compared to $310,376 for the year ended December 31, 2006. Although we didn't see a significant change in revenues in 2007, we experienced more deployments, which management believes will contribute to an increase in 2008 revenues. Revenues in 2007 were a result of sale of the Voraxial Separator and auxiliary parts, lease orders and trials for customers interested in buying the Voraxial Separator. Management believes the interest for the Voraxial Separator for liquid/liquid, liquid/solid and liquid/liquid/solid separation is increasing in the oil exploration and production industry. We conducted more trials in 2007 than 2006 and believe deployments will increase by approximately 300% in 2008. We forecast that the increase in deployments will increase revenues. We believe that the relationships we are building will also lead to increase Voraxial deployments. 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 lease of the Voraxial Separator in 2008.

COSTS AND EXPENSES

Costs and expenses increased by 109% or $1,115,033 to $2,129,189 for the year ended December 31, 2007 as compared to $1,014,156 for the year ended December 31, 2006. The increase was primarily due to (i) non-cash expenses relating to the issuance of options to employees and consultants; (ii) consulting fees; and (iii) increased professional fees and a decrease in research and development during the year ended December 31, 2007. Research and development was primarily due to activities in the oil industry. We continue to focus our efforts on marketing of the Voraxial(R) Separator.

GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative expenses increased by 262% or $1,103,926 to $1,525,901 for the year ended December 31, 2007 from $421,975 for the year ended December 31, 2006. The increase was primarily due to (i) non-cash expenses of approximately $186,676 relating to the issuance of options and warrants to employees and consultants; (ii) non-cash expenses of $697,500 relating to the extension of previously issued options; (iii) consulting fees; and (iv) increased professional fees during the year ended December 31, 2007.

RESEARCH AND DEVELOPMENT EXPENSES

Research and Development expenses increased 2% or $11,107 to $603,288 for the year ended December 31, 2007 from $592,181 for the year ended December 31, 2006. The R&D conducted by the Company resulted with the Company upgrading the Voraxial Separator and filing additional patents. The upgraded Voraxial Separator now produces 300% more "g" forces, processes more liquids and utilizes less energy. An increase in "g" forces increases separation efficiency. These are significant upgrades as it allows the Voraxial to operate in more locations in the oil exploration & production sector. These upgrades are receiving a favorable response from the industry. The upgraded Voraxial 4000 Separator has already been shipped to a customer and been in operation for several months.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2007, we had working capital deficit $191,322, cash of $201,066 and an accumulated deficit of $8,637,316. For the year ended December 31, 2007, we had a net loss from operations of $1,918,004, which included non-cash expenses of $884,176 relating to (i) the issuance of warrants and options to employees and consultants and (ii) extension of previously issued options and warrants. Operating at a loss for the year negatively impacted our cash position; however, funds received from the private placements completed during 2007 improved our working capital position.

During the year ended December 31, 2007, we issued 1,030,000 shares of the Company's restricted common stock to five investors, including a Water Investment Fund at $0.60 per share for gross proceeds of $618,000.

We believe that including our current cash resources and anticipated revenue to be generated by our Voraxial(R) Separators, we will have sufficient resources to continue business operations for the next twelve months. To the extent that these resources are not sufficient to sustain current operating activities, we may need to seek additional capital, or adjust our operating plan accordingly.

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.

We believe current funding will satisfy our working capital needs for the next 6 months, as our current monthly cash burn rate is approximately $70,000 per month. Historically the Company has funded working capital requirements under private offerings facilitated by its management and the Company intends to continue to fund current working capital requirements through such private placements 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.

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 2008, 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

Accounting changes and error corrections

In May 2005, the Financial Accounting Standards Board (FASB) issued SFAS No. 154, "Accounting Changes and Error Corrections" (SFAS 154), which replaces Accounting Principles Board (APB) Opinion No. 20, "Accounting Changes," and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements -

An Amendment of APB Opinion No. 28." SFAS 154 provides guidance on the accounting for and reporting of accounting changes and error corrections, and it establishes retrospective application, or the latest practicable date, as the required method for reporting a change in accounting principle and the reporting of a correction of an error. SFAS 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company had adopted SFAS 154 in the first quarter of fiscal year 2006 and does not expect it to have a material impact on its consolidated results of operations and financial condition.

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Fair value measurements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" (SFAS 157). SFAS 157 provides guidance for using fair value to measure assets and liabilities. SFAS 157 addresses the requests from investors for expanded disclosure about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value and the effect of fair value measurements on earnings. SFAS 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value, and does not expand the use of fair value in any new circumstances. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2006 and was be adopted by the Company in the first quarter of fiscal year 2007. The Company does not expect that its adoption of SFAS 157 will have a material impact on its consolidated results of operations and financial condition.

Accounting for uncertainty in income taxes

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing the recognition threshold a tax position is required to meet before being recognized in the financial statements. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The cumulative effects, if any, of applying FIN 48 will be recorded as an adjustment to retained earnings as of the beginning of the period of adoption. FIN 48 is effective for fiscal years beginning after December 15, 2006, and the Company adopted this in the first quarter of fiscal year 2007. The Company does not expect that its adoption of FIN 48 will have a material impact on its consolidated results of operations and financial condition.

Taxes collected from customer and remitted to governmental authorities
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In June 2006, the FASB ratified Emerging Issues Task Force (EITF) Issue No. 06-3 (EITF 06-3), "How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)." EITF 06-3 applies to any tax assessed by a governmental authority that is directly imposed on a revenue producing transaction between a seller and a customer. EITF 06-3 allows companies to present taxes either gross within revenue and expense or net. If taxes subject to this issue are significant, a company is required to disclose its accounting policy for presenting taxes and the amount of such taxes that are recognized on a gross basis. The Company currently presents such taxes net. EITF 06-3 is required to be adopted during the first quarter of fiscal year 2008. These taxes are currently not material to the Company's consolidated financial statements.

Accounting for rental costs incurred during a construction period

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In September 2006, the FASB issued FASB Staff Position No. FAS 13-1 (As Amended), "Accounting for Rental Costs Incurred during a Construction Period" (FAS 13-1). This position requires a company to recognize as rental expense the rental costs associated with a ground or building operating lease during a construction period, except for costs associated with projects accounted for under SFAS No. 67, "Accounting for Costs and Initial Rental Operations of Real Estate Projects." FAS 13-1 is effective for reporting periods beginning after

December 15, 2005 and was adopted by the Company in the first quarter of fiscal year 2006. The Company's adoption of FAS 13-1 will not materially affect its consolidated results of operations and financial position.

Effects of Prior Year Misstatements when Quantifying Misstatements in the Current Year Financial Statements

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements" (SAB 108). SAB 108 provides guidance on the consideration of the effects of prior year misstatements in quantifying current year misstatements for the purpose of a materiality assessment. SAB 108 establishes an approach that requires quantification of financial statement errors based on the effects of each on a company's balance sheet and statement of operations and the related financial statement disclosures. Early application of the guidance in SAB 108 is encouraged in any report for an interim period of the first fiscal year ending after November 15, 2006, and has been adopted by the Company in the first quarter of fiscal year 2007. The Company does not expect the adoption of SAB 108 to have a material impact on its consolidated results of operations and financial condition.

FSP FAS 123(R)-5

FSP FAS 123(R)-5 was issued on October 10, 2006. The FSP provides that instruments that were originally issued as employee compensation and then modified, and that modification is made to the terms of the instrument solely to reflect an equity restructuring that occurs when the holders are no longer employees, then no change in the recognition or the measurement (due to a change in classification) of those instruments will result if both of the following conditions are met: (a) There is no increase in fair value of the award (or the ratio of intrinsic value to the exercise price of the award is preserved, that is, the holder is made whole), or the antidilution provision is not added to the terms of the award in contemplation of an equity restructuring; and (b) All holders of the same class of equity instruments (for example, stock options) are treated in the same manner. The provisions in this FSP shall be applied in the first reporting period beginning after the date the FSP is posted to the FASB website. The Company does not expect the adoption of FSP FAS 123(R)-5 to have a material impact on its consolidated results of operations and financial condition.

Business Combinations

In December, 2007, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 141 (revised 2007), "Business Combinations" (hereinafter "SFAS No. 141 (revised 2007)"). This statement establishes principles and requirements for how an acquirer a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree, b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase and c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The scope of SFAS No. 141 (revised 2007) is broader than the scope of SFAS No. 141, which it replaces. The effective date of SFAS No. 141 (revised 2007) is for all acquisitions in which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The adoption of this statement

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has no immediate material effect on the Company's consolidated financial condition or results of operations.

Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB 51

In December, 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB No. 51" (hereinafter "SFAS No. 160"). This statement establishes accounting and reporting standards that require a) the ownership interests in subsidiaries held by parties other than the parent be clearly identified, labeled and presented in the consolidated statement of financial position with equity, but separate from the parent's equity, b) the amount of consolidated net income attributable to the parent and to the noncontrolling interest be clearly identified and presented on the face of the consolidated statement of income, c) changes in a parent's ownership interest while the parent retains its controlling financial interest in its subsidiary be accounted for consistently, d) when a subsidiary is deconsolidated, any retained noncontrolling equity investment in the former subsidiary be initially measured at fair value and e) entities provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. The effective date of this standard is for fiscal years and interim periods beginning on or after December 15, 2008. The adoption of this statement had no immediate material effect on the Company's consolidated financial condition or results of operations.

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.

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

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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 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.

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. In the continental US, it is estimated that 7-10 barrels of water is produced for each barrel of recovered oil. According to the Argonne National Laboratory 2007 White Paper, "approximately 15 to 20 billion bbl (barrels; 1 bbl = 42 U.S. gallons) of produced water are generated each year in the United States. This is equivalent to a volume of 1.7 to 2.3 billion gallons per day." Worldwide, the total amount of produced water generated, excluding the United States, is approximately 50 billon barrels (approximately 6 billion gallons per day). 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.

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.

MARKETING

We have presented the Voraxial(R) Separator at several prominent trade shows in the past fiscal year. In April 2007, the Company was a featured exhibitor at the Advanced Produced Water Handling & OSPAR Compliance 2007 Conference, which was held in Aberdeen, Scotland. In late May 2007, the Company was selected by Tuv Nel to be a guest speaker at Tuv Nel's Produced Water Workshop in Aberdeen, Scotland. The Workshop was attended by guests from government bodies, offshore operators, technology and equipment suppliers as well as consultancy and R&D organizations. As stated on Tuv Nel's website, the Workshop "provides an excellent platform for delegates to keep abreast of the latest technological and legislative developments." The Company also displayed its Voraxial Separator at the OTC tradeshow in Houston and the OE 2007 Tradeshow in Aberdeen, Scotland. Both tradeshows were well attended by oil E&P companies.

The Company believes it has received a great response from potential clients and manufacturers representatives from the above-mentioned tradeshows and is still pursuing some of these opportunities. We anticipate presenting the Voraxial(R) Separator at additional tradeshows in 2008.

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".

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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 $1,115,500 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 6 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 2007, the Company entered into a one (1) year lease for an office and manufacturing facility located at 821 NW 57th Place, Fort Lauderdale, FL 33309. The lease is approximately $6,100 per month. The Company has the option to renew the lease at the end of the 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	77	President and Director
John A. DiBella	36	Executive Vice President and Director

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. In August 2006 the Company expanded its board of directors to two members. John DiBella was appointed by the board to fill the vacancy created by the additional board seat. 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 directors to serve on our board. Our board of directors, solely consisting of Alberto DiBella and John 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. None of the directors are considered a "financial expert."

Because the board of directors consists of only two members, the board has not delegated any of its functions to committees. The entire board of directors acts as our audit committee as permitted under Section 3(a)(58)(B) of the Exchange Act. We do not have any independent directors who would qualify as an audit committee financial expert. We believe that it has been, and may continue to be, impractical to recruit such a director unless and until we are significantly larger.

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, 2009.

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 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 two 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, 2007.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change i Pension Value an Nonqualif Deferre Compensat Earning ($)
Alberto DiBella,	2007	$250,000(1)	--	--	$30,000(7)	--	--
CEO and Principal	2006	$175,000(2)	--	--	--	--	--
Financial Officer	2005	$165,000(3)	--	--	--	--	--
John A. DiBella,	2007	$250,000(4)	--	--	$30,000(7)	--	--
Executive Vice	2006	$175,000(5)	--	--	--	--	--
President	2005	$150,000(6)	--	--	--	--	--

(1) $130,000 was deferred in 2007.

(2) $74,785 was paid out during the year ended December 31, 2006 and $28,000 was paid out during the year ended December 31, 2007. Unpaid balance was included in accrued expenses as of December 31, 2007.

(3) $43,000 was paid out during the year ended December 31, 2005. Remaining balance was paid out during the year ended December 31, 2007 through the issuance of options (see footnote 7).

(4) $181,000 was deferred in 2007.

(5) $129,000 was deferred in 2006. $50,000 was paid out during the year ended December 31, 2007 through the issuance of options (see footnote 7). The unpaid balance has been included in accrued expenses as of December 31, 2007.

(6) $145,000 was deferred as of December 31, 2005 and was paid during the year ended December 31, 2007 through the issuance of options (see footnote 7).

(7) Options to purchase 1,000,000 shares of common stock exercisable at $0.40 pr share. The Company calculated the fair value of the options 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 25%; risk-free interest rate of 5% and an expected life of five years. This results in a fair value of approximately $180,000, of which $150,000 was previously recorded as compensation expense. The

remaining $30,000 has been recorded as compensation expense for the year ended December 31, 2007.

2007 Outstanding Equity Awards At Fiscal Year-End Table

	Option Awards					Stock Awa	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Alberto DiBella	110,000	--	--	$0.60	2009	--	--
	110,000	--	--	$1.00	2009	--	--
	1,000,000	--	--	$0.40	2012	--	--
John DiBella	2,000,000	--	--	$0.15	2012	--	--
	516,666	--	--	$0.60	2009	--	--
	516,666	--	--	$1.00	2009	--	--
	1,000,000	--	--	$0.40	2012	--	--

2006 Option and Stock Grants

None.

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. We currently pay the CEO and Executive Vice President approximately $250,000 per annum.

DIRECTOR COMPENSATION

Directors are not compensated by our Company.

CERTAIN TRANSACTIONS

None

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of March 15, 2008, there were 23,122,135 shares of our common stock outstanding. The table below sets forth information with respect to the beneficial ownership of our securities as of March 15, 2008 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	4,266,666(1)	17.5%
John A. DiBella 821 N.W. 57th Place Fort Lauderdale, FL 33309	5,033,333(2)	18.5%
Robert Weinberg 11338 Clover Leaf Circle Boca Raton, FL 33428	2,000,000(3)	8.7%
Peter Chiappetta 2299 NW 62nd Drive Boca Raton, FL 33487	3,000,000(3)	13.0%
All officers and directors as a group (2 persons)	9,299,999	32.8%

(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 shares of common stock underlying options exercisable at $1.00 per share. Also includes 1,000,000 shares underlying options exercisdable at $0.40 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. Also includes 1,000,000 shares underlying options exercisdable at $0.40 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.

DESCRIPTION OF SECURITIES

As of the date of this prospectus, we had authorized 42,750,000 shares of par value $0.001 common stock, with 23,538,801 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

As of the date of this prospectus, we had outstanding warrants to purchase 5,589,637 shares of our common stock exercisable at prices ranging from $0.75 to $9.00 per share:

As of the date of this prospectus we had outstanding options to purchase 6,335,666 shares of our common stock exercisable at the following prices:

The warrants and options expire on various dates from late 2008 to January, 2012. 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 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.

	Common Shares Owned Prior to Offering		Common Shares Offered in the Offering	Co O th
Name of Shareholder	Number	Percentage	Number	Numbe
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)	108,0
Agatino Cintorrino 37 W. Main Street Somerville, NJ 08876	72,600	*	38,400(1)(4)	34,2
Kenneth G. Conrad 2935 Rising Sun Road Slatington, PA 18080	66,334	*	38,667(1)(4)	27,6
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	

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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	
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	4,000	*	4,000	

Wichita, KS 67218

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
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)	350,0
Richard Goodwyn 8 North Rohallion Drive Rumson, NJ 07760	150,000	*	100,000	50,0
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	83,3

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)	125,0
Harrichand Persaud 264 Airmont Ave. Mahwah, NJ 07430	333,332	*	166,666(4)	166,0
Barbara J. Drew TTEE for the Barbara J. Drew Revocable Living Trust (22) 302 Carl Lane Capitola, CA 95010	166,666	*	83,333(4)	83,3
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 Binghamton, NY 13904	250,000	*	125,000(4)	125,0
Keys Family Trust (18) 1024 Glorietta Coronado, CA 92118	100,000	*	50,000(4)	50,0
William Dorfman Century Park East- Suite 1601 LA, CA 90067	83,334	*	41,667(4)	41,6
Barry Gafner 4560 St. Vrain Road Longmont, CO, 80503	180,000	*	95,000(4)(13)	85,0
Donald Cameron Rodee 1510 Wilshire Road Fallbrook, CA 92028	333,332	*	166,666(4)	166,6
Kevin Mulshine 4097 St. Lucia Street Boulder, CO 80301	80,000 (3)(14)	*	45,000(4)(13)	35,0
Mustafa Chike-Obi	83,334	*	41,667(4)	41,6

175 Brooklake Road
Florham Park, NJ 07932

James P. Kearney 59 Union Hill Road Madison, NJ 07940	83,334	*	41,667(4)	41,6
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)	25,0
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)	298,4
Michael J. Beaudoin 2915 Miwall Ct. Castlerock, CO 80109	40,000	*	20,000(6)	20,0
David W. Beaudoin 21544 Tullman Drive Parker, CO 80111	40,000	*	20,000(6)	20,0
John R. Cohagen 3939 95th St. Boulder, CO 80301	66,666	*	33,333(6)	33,3
John David Kucera IRA 6178 S. Alton Way Greenwood Village, CO 80111	26,666	*	13,333(6)	13,3
Pamela M. Kelsall IRA 6117 E. Princeton Ave. Englewood, CO 80111	33,334	*	16,667(6)	16,6
Douglas H. Kelsall IRA 6117 E. Princeton Ave. Englewood, CO 80111	66,666	*	33,333(6)	33,3
Eugene C. McColley IRA 3900 Garden Ave.	50,000	*	50,000(6)	

Greenwood Village, CO 80121				
Greg Fulton IRA 5520 South Newport Street Greenwood Village, CO 81111	33,334	*	16,667(6)	16,6

Ann Fulton IRA 5520 South Newport Street Greenwood Village, CO 81111	33,334	*	16,667(6)	16,6
Sandra Garnet C/F Colin Garnett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333(6)	33,3
Sandra Garnet C/F Aaron Garnett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333(6)	33,3
Sandra Garnett C/F Benjamin Garnett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333(6)	33,3
Lee E. Schlessman 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	266,666	*	133,333(6)	133,3
Rodney Garnett, Lee Schlessman POA 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333(6)	33,3
Sandra L. Garnett, Lee E. Schlessman POA 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333(6)	33,3
Gary L. Schlessman C/F Margaret Schlessman 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	33,334	*	16,667(6)	16,6
Gary Schlessman C/F Jennifer Schlessman 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	33,334	*	16,667(6)	16,6
Cheryl S. Bennett C/F Eric Bennett 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	33,334	*	16,667(6)	16,6
Cheryl S. Bennett, Lee Schlessman POACO 1301 Pennsylvania Street, Suite 800 Denver, CO 80203	66,666	*	33,333(6)	33,3
Cheryl S. Bennett C/F Lauren M. Bennett 1301 Pennsylvania Street, Suite 800	33,334	*	16,667(6)	16,6

Denver, CO 80203				
George Johnson IRA 6 Churchill Dr. Englewood, CO 80113	40,000	*	40,000(6)	

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)	17,0
Frederic Duboc IRA 5500 Pemberton Drive Greenwood Village, CO 80121	200,000	*	100,000(6)	100,0
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)	30,0
Virginia Stevens McDonald Revocable Living Trust Dated 6/30/95 (21) 6044 E Briarwood Dr. Centennial, CO 80112	30,000	*	30,000(6)	
Robert H. Aukerman 6077 S. Cathay Ct. Aurora, CO 80016	30,000	*	20,000(6)	10,0
Thomas D. Wolf 5751 E Nassau Place Englewood, CO 80111	40,000	*	20,000(6)	20,0
Christopher J. Koenigs/ Jeanne F. Collopy JTWRDS 2433 E 7th Ave Denver, CO 80206	34,000	*	17,000(6)	17,0
Roger Conan 14 Oaklay Rd Dublin 6, Ireland	120,000	*	60,000(6)	60,0
Richard Vernon Wilsey P.O. Box 432 Morrison, CO 80465	68,000	*	34,000(6)	34,0

David L. Gertz 7120 E Orchard Rd, Suite 300 Centennial, CO 80111	68,000	*	34,000(6)	34,0
Vicki D.E. Barone IRA 7854 S Harrison Cir. Littleton, CO 80122	16,000	*	16,000(6)	

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)	966,6
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)	3,046,6
J. John Combs 6494 Nelson Rd Longmont CO 80503	483,000	*	483,000(12)	
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

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 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 traunches 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

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.

(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

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