Inc.

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

Annual Report and Unaudited Consolidated Financial Statements
for Years Ended
December 31, 2011 and 2010.

Documents incorporated by reference (includes all Exhibits and Attachments):

1. All filings including financial statements made on OTC News and Disclosure Network available at www.otcmarkets.com, including those in this document.
2. All press releases issued by the Company.
3. Form 10-KSB for fiscal year ending December 31, 2006
4. Forms 10-QSB for quarters ending March 31, 2007, June 30, 2007 and September 30, 2007
5. Forms 8-K filed July 3, 2007, September 28, 2007, October 2, 2007, December 20, 2007, July 8, 2008, August 8, 2008, September 2, 2008, November 18, 2008, February 17, 2009

Documents are available on SEC EDGAR at www.sec.gov, at www.otcmarkets.com under the "Filings", "Company Info", "News", and other tabs, and through various newswire services. Documents include both current and non-current information. Except as described in this Initial Disclosure Document and subsequent reports, news release, filings, and amendments, the Documents listed above are believed to be accurate and complete as of the date affixed thereof.

FORWARD LOOKING STATEMENTS

This Initial Disclosure Document contains forward-looking statements that are subject to certain risks, uncertainties or assumptions and may be affected by certain other factors, including but not limited to the specific factors discussed in Part D, Item XVI under "Management's Discussion and Analysis or Plan of Operation" and "*Risks Associated With Our Business".* In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "expects," "plans," "projected," "anticipates," "believes," "estimates," "predicts," "potential," or "continues," or the negative of these terms or other comparable terminology. Should one or more of these risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of Viral Genetics may vary materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

Forward-looking statements are based on beliefs and assumptions of Viral Genetics' management and on information currently available to such management. Forward-looking statements speak only as of the date they are made, and Viral Genetics undertakes no obligation to update publicly any of them in light of new information or future events. Undue reliance should not be placed on such forward-looking statements, which are based on current expectations. Forward-looking statements are not guarantees of performance.

PART A: General Company Information

Item I – Name of Issuer:
Viral Genetics, Inc.

Item II – principal executive offices:
2290 Huntington Drive, Suite 100, San Marino, CA, 91108
Tel: (626) 334-5310
Fax: (626) 334-5324
www.viralgenetics.com
www.vgenergy.com
Investor and Media Relations Contact:
Bryan Crane, Bluewater Advisory Group LLC (805) 294-3723, BCrane@BWAdvisory.com

Item III – Jurisdiction of Incorporation:
Incorporated under the laws of the state of Delaware on June 8, 1998

PART B: Share Structure.

Item IV – Title and Class of Securities Outstanding

Viral Genetics, Inc.
Common Stock
ticker symbol "VRAL"
CUSIP: 92764R109

Preferred Stock
Ticker symbol: N/A
CUSIP: N/A

Item V – Par Value and Description of Securities Outstanding

1. *Par or Stated Value*.
   Common Stock: $0.0001.
   Series A Preferred Stock: $0.0001.
2. *Common or Preferred Stock*.

   1. Common Equity Dividend, Voting and Preemption Rights

   No dividend has been declared on common stock since inception. Each share of common stock is entitled to one vote on any matter brought before stockholders. There are no preemption rights to common shares.

   2. Preferred Equity Dividend, Voting, Conversion and Liquidation Rights and Redemption or Sinking Fund Provisions.

   The Series A Preferred Shares are not redeemable by the Company, and rank on par with Company common stock in the event of dividends of any kind being declared on common stock. There is no sinking fund provision for the Series A Preferred Shares. The issued Series A Preferred Shares vote as common stock in all matters presented to stockholders for approval, but have special voting rights such that the aggregate of all then issued, outstanding and unconverted Series A Preferred Shares possesses a number of votes equal to all of the then issued and outstanding common shares of the Company multiplied by 1.01. The effect of the voting rights is that the holders of common stock by definition possess fewer aggregate votes than the aggregate of the then issued, outstanding and unconverted Series A Preferred Shares stockholders. Series A Preferred Shares are exchangeable into shares of common stock at the rate of ten (10) shares of common stock for each share of Series A stock. The current issued and outstanding Series A Preferred Shares (totaling 4,750,000) have an aggregate liquidation preference of $950,000 such that in the event of the dissolution, winding-down, or other liquidation of the Company the Series A Preferred Shares holders shall receive the first $950,000 of net proceeds after payment of debts. Following the payment of this liquidation preference, the holders of common stock would receive the next $950,000 of net proceeds. All other remaining net proceeds would then be split ratably between the Series A Preferred and common stockholders on an as-converted basis. The effect of the liquidation preference is to subordinate the claims of the common stockholders on

residual net proceeds after such a winding down, liquidation or dissolution, and to reduce by $950,000 the overall claims common stockholders hold on residual assets after payment of debts.

3. Other material rights of common or preferred stockholders.

Common Stock: There are no other material rights of common shares.

Series A Preferred Stock: The holders of any majority of the then issued and outstanding Series A Preferred Shares have the authority to require all holders of Series A Preferred Shares to exercise the conversion feature described above. Other than where transferred for estate planning purposes, the Series A Preferred Shares automatically convert to common shares upon any transfer.

VG Energy, Inc. ("VGE"): Our majority-owned subsidiary has authorized 130,000,000 shares of any class of stock of which 30,000,000 shares of common stock are issued and outstanding, and 3,000,000 shares of Series A Preferred Stock are issued and outstanding. Of the issued and outstanding shares and as of the filing date of this Annual Report, the Company owns 22,831,693 shares of the common stock and 2,616,000 shares of Series A Preferred Stock. If no preferred stockholders (including us) converted to common shares, we would have combined votes equal to 81.68% of VGE votes (due to the special voting rights of the VGE Series A Preferred Shares which provide votes equal to 1.01 times the number of common votes in aggregate to the VGE Series A Preferred Shares) and own 76.1% of the common shares with a liquidation preference of approximately $872,000 as a result of the VGE Series A Preferred Shares rights. The VGE Series A Preferred Shares are convertible to VGE common shares at the rate of 10 common shares per preferred share. If we exchanged all of our VGE Series A Preferred Shares for VGE common shares, we would own 48,991,693 shares of VGE. If all VGE Series A stockholders (including us) converted into common shares, we would own approximately 81.65% of VGE and have the same percentage of votes. VGE has also granted warrants to investors to acquire 3,600,000 shares of VGE common stock and 360,000 shares of VGE Series A Preferred stock, and options to management and consultants to acquire 5,425,000 shares of VGE common stock. If all such VGE warrants and options were exercised, and all VGE Series A Preferred Shares were converted to VGE common shares (including our own) there would be a total of 69,025,000 VGE common shares issued and outstanding of which we would own 48,991,663 or 71%. This would presume the payment by the holders of approximately $1.4 million to exercise the options and warrants, although the management and consultant options may be exercised in a "cashless" manner by reducing the number of shares received to compensate for the exercise price under the assumption that the market price exceeds the exercise price. The Company may sell and/or VGE may issue common shares and/or Series A Preferred shares to investors to raise capital to fund VGE operations or for other corporate purposes, which would lower our ownership and voting percentage in all of the above scenarios. The Company (Viral Genetics) has granted ten (10) VGE Unit Purchase Options to a third party investor that provided funding for Viral Genetics' operations. Each VGE Unit Purchase Option allows the investor to acquire 150,000 VGE common shares and 15,000 VGE Series A Preferred Shares, and a further 5-year warrant to acquire another 150,000 VGE common shares for $0.25 per VGE common share. The VGE Unit Purchase Options have an exercise price of $25,000 each and expire December 31, 2012. If all of the VGE Unit Purchase

Options were exercised, and all warrants acquirable upon such exercise were also themselves exercised, the Company would receive consideration of $625,000 in exchange for the investor acquiring from the Company a total of 3,000,000 VGE common shares and 150,000 VGE Series A Preferred Shares reducing the Company's fully-diluted ownership of VGE to 44,491,663 VGE common shares or 64.46%. Certain early investor in VGE received as part of their investment in VGE limited anti-dilution protection for their VGE common and preferred shares. As a result of this, a total of 3,600,000 VGE common shares and 360,000 VGE Series A Preferred Shares are covered by this anti-dilution protection which provides for each investor's ownership percentage of each class of VGE's shares to be maintained at its original percentage until each class is diluted a total of 25%. This has the effect of diluting the ownership percentage of all other VGE common and preferred shareholders (including Viral Genetics, VGE management, and VGE consultants) for the first 25% of total dilution of each class of VGE shares. Once the 25% threshold has been reached in each class of shares, the investors' anti-dilution protection ends. All information in this bulleted sub-paragraph is as of the filing of this Annual Report.

4. Provisions in the issuer's charter or by-laws that would delay, defer, or prevent a change in control of the issuer.

There are no protective measures or "poison pills" in the charter or bylaws of the Issuer that would in and of themselves delay, defer or prevent a change of control of the issuer. However, as an aggregate class the Series A Preferred Shares holders may be deemed to have a control-like position due to the special voting rights of the Series A Preferred Shares. To the best of the Company's knowledge, there is no agreement amongst Series A Preferred Shares holders to pool voting or other rights, nor to act in concert with respect to any vote but the special voting rights could have the effect of allowing a group of Series A stockholders to hold a majority of votes in a vote brought before shareholders of the company pertaining to a proposed change of control. Haig Keledjian may be deemed to exercise influence over the Company as a result of his ownership or control over common shares of the Company, and other securities exchangeable or exercisable for common shares, including Series A Preferred Shares. In aggregate, were he to exercise all such rights to acquire common shares, and assuming no other such conversions or exercise by third parties, and including options due to him under his Employment Agreement, he would beneficially own 17.6% of the Company and possess votes comprising approximately 28.3% of the total number of votes of the Company. In order for this to occur, Mr. Keledjian would also have to deliver to the Company consideration of approximately $4.1 million for exercise of options and warrants. The difference between beneficial ownership percentage and voting percentage is due to the special voting rights of the Series A Preferred Shares, of which Mr. Keledjian owns approximately 38% (see above).

Item VI – Number of Shares Outstanding for Each Class of Securities Authorized.(6)

Class of Securities	Period End Date	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Beneficial Shareholders	Freely Tradable Common Shares / Public Float	Total Number of Shareholders of Record
Common Stock	Dec. 31, 2011	1,500,000,000 (1)	932,532,478	5,532 (2)	596,860,096 (3)	1,032
	Dec. 31, 2010	1,500,000,000 (1)	628,853,282	5,528 (2)	418,881,878 (3)	1,028
Preferred Stock	Dec. 31, 2011	250,000,000 (1)	4,750,000	44	-	45
	Dec. 31, 2010	250,000,000 (1)	4,750,000	44	-	45

(1) As of January 3, 2011, the Company amended its articles of incorporation to authorize a total of 1,500,000,000 shares of common stock and 250,000,000 shares of preferred stock.
(2) Includes estimate of 4,500 non-objecting holders plus 1,028 reported registered shareholders.
(3) Represents shares held in street form as reported by CEDE & Co. SEC definition of float (all issued and outstanding shares, less those held by affiliates, officers and directors) is currently approximately 816 million.
(4) VG Energy, Inc. – see **Item V** – 3.

PART C: Business Information

Item VII – Transfer Agent

Registrar and Transfer Co.
10 Commerce Dr.
Cranford, NJ 07016-1010
Tel: (800) 866-1340

Registrar and Transfer Co. is validly registered as a Transfer Agent pursuant to Section 17A(c) of the Securities Exchange Act of 1934.

Item VIII – Nature of Issuer's Business

A. Business Development

We are engaged in two primary areas of business: pharmaceutical and medical diagnostic applications of our science, and non-pharmaceutical applications of our science, namely, biofuels and high value oils such as oils used in cosmetics, food, and nutraceuticals produced from plants and plant like organisms such as fungi. The first area is research and development of drugs and disease diagnostics using two platform technologies, Targeted Peptides Technology ("TPT") and Metabolic Disruption technology ("MDT"). All of our drug and diagnostics research is conducted by Viral Genetics, and our non-pharma research is conducted by our majority-owned subsidiary, VG Energy, Inc. ("VGE"). A portion of pharma research conducted for the benefit of Viral Genetics licensed MDT and TPT technologies is funded through grants and other non-Company funding provided to the lab of Dr. M. Karen Newell Rogers.

History

Initial Organization and Operations

Viral Genetics, Inc. (the "Company"), is a Delaware corporation formed in June 1998 and originally named Hitech Investments, Inc. In April 1999, the Company changed its name to 5 Starliving Online, Inc. and commenced operations by pursuing a business plan to implement an e-commerce luxury auction site. Subsequently, in the second half of 1999, the Company became a reporting company under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The dot com business declined substantially in 2000, and in April 2001 5 Starliving Online, Inc. entered into an agreement to acquire Viral Genetics, Inc., a California corporation. The acquisition closed in October 2001, and the Company then changed its name to Viral Genetics, Inc. Management of the California corporation assumed control of the reporting company.

After becoming a reporting Company under the Exchange Act, at no time did the Company have no or nominal operations, no or nominal assets, assets consisting solely of cash and cash equivalents, and assets consisting of any amount of cash and cash equivalent and nominal other assets.

The California corporation, formed in 1995, acquired a technology, including patents, called Thymus Nuclear Protein or TNP from Therapeutic Genetics, Inc. in exchange for a note in the amount of $5,000,000 and a royalty payment. The Company believed TNP to be useful in ameliorating HIV/AIDS, autoimmune conditions and immunological deficiency. In September 2004 we acquired Therapeutic Genetics, Inc., eliminating the debt owed to Therapeutic Genetics,

Inc. but not the royalty, a royalty that had been transferred to a third party, Therapeutic Genetics LLC. In 2008, we acquired Carcinotek, Inc., owner of certain cancer detection technologies, and merged it into the California corporation. Therapeutic Genetics, LLC, Carcinotek, Inc., and Viral Genetics, Inc. are controlled, essentially, by the same individuals or entities.

We used TNP clinically through an injection, an injection we initially named VGV-1. In June 2006 we announced the results of our most recent human clinical trial of VGV-1, the "TNP001 Study", authorized in February 2004 by the South African Medicines Control Council ("MCC"). The TNP001 Study was a multi-center, randomized, double-blind, placebo-controlled study of 137 HIV-infected subjects. The study revealed statistically significant reductions of viral load (approximately a 70% decrease in virus, a so called 0.5 log reduction) in 22% of patients overall at day 150 which is about three months after treatment, with this effect diminishing by day 240. However, we also observed that patients who began the study with more damaged immune systems did better, 36% of this group having statistically significant drops in viral load at day 150 and 25% having positive results at day 240. We no longer study TNP following our license of intellectual property developed by Dr. M. Karen Newell Rogers.

Development of Pharmaceutical Science

In 2007 we entered into agreements with the University of Colorado, Dr. M. Karen Newell Rogers and three others relating to the licensing of certain "Targeted Peptides Technology" or TPT. We believe Dr. Newell Rogers's work provided the scientific theory and explanation of the biological mechanism behind VGV-1 and pointed the direction in developing other autoimmune applications indicated in the TNP001 Study.

TPT is a platform that may be used in treating diseases in addition to HIV/AIDS. We have developed TPT compounds for treatment for Lyme disease, Staphylococcus and Streptococcus infection, Sepsis, and other diseases. We have designated the injectable form of the TPT platform used for treatment of HIV/AIDS as VGV-X and the custom designed synthetic peptide of TPT compound itself is designated as APi1177. That is, VGV-X is an injection in which the active ingredient is APi1177.

In 2009 we acquired additional technology and patents developed by Dr. Newell Rogers, and owned by the University of Colorado and the University of Vermont, technology related to "Metabolic Disruption" or MDT. This technology interferes with cancer cells' ability to get the fuel they need and make them more susceptible to chemotherapy and radiation and more visible and vulnerable to the body's own immune system. Doctors at Scott & White Healthcare in Temple, Texas, and the Cancer Therapy and Research Center at the University of Texas at San Antonio, supported by an anonymous donation, are initiating a drug trial for patients with late-stage ovarian cancer utilizing MDT in combination with an existing cancer drug.

We have certain obligations under our agreements with the University of Colorado and University of Vermont. A minimum annual royalty of $25,000 is payable to the University of Colorado, which will increase to $75,000 after commencement of commercial sales of products incorporating the licensed technology, and additional royalties will become payable upon certain conditions including IND submission, FDA clinical trial approval and commercialization. We agreed to reimburse these universities for certain prior patent costs they incurred for the Metabolic Disruption portfolio totaling approximately $262,000, of which $128,100 remains outstanding at December 31, 2011. Other royalties and milestone payments are payable by us upon completion of certain

milestones as well as upon sublicensing of the rights. *See Item XVI. Management's Discussion and Analysis or Plan of Operation.*

We have formed MetaCytoLytics, Inc. for using the MDT science for its use in the treatment of cancerous tumors. We issued 10% of that entity to a third party in exchange for services, and we are negotiating for the reacquisition of those shares. This subsidiary is largely inactive now and we are conducting MDT research through the Company.

Biofuels and High Value Oils

MDT can also be used in the production of biofuels using algae, and in 2010 the Texas Emerging Technology Fund made a $750,000 grant to Dr. Newell Rogers to develop this application of the science.

After competing industrial tests establishing significantly increased yields of oils from algae, the company conducting those tests is examining different quantities of MDT compounds to further enhance yields in a closed bioreactor algae-cultivation environment. We anticipate the results of this testing to be available in 2012. We are testing MDT compounds on various strains of algae to increase yields as well as testing MDT compounds for production of Omega-3 fatty acids and applications to food and nutraceuticals.

We have formed VG Energy, Inc. to commercialize the biofuel and non-pharmaceutical applications of MDT.

The Company

Our California corporation, also named Viral Genetics, Inc., MetaCytoLytics, Inc., VG Energy, Inc., and the parent Delaware corporation, Viral Genetics, Inc., are referred to the Company unless the context provides otherwise.

We have three drug research programs at or near clinical stage: a TPT therapy for HIV/AIDS, a TPT therapy for Lyme disease, and an MDT therapy for treatment-refractory (drug-resistant) cancer starting with ovarian cancer. We also have TPT research programs in various preclinical stages for Multiple Sclerosis; Staphylococcus, Streptococcus and Sepsis infection; preeclampsia; transplant rejection; Pediatric Autoimmune Neuropsychiatric Disorders ("PANDAS"); and HIV prevention.

We believe we have demonstrated the commercial production of materials that can be used to produce oils for refining into biofuels although variations and combinations of existing results continue to be tested. We believe we have similarly succeeded in demonstrating the ability to enhance the production of certain high value oils.

General

Our distinguished board of advisors continues to provide invaluable scientific, medical, strategic, legal and other advice, complementing our management team and key consultants. Our advisory board now includes:

- Eric Rosenberg, MD, Harvard Medical School – HIV/AIDS and immunology expert
- Leslie Benet, PhD – Pharmacodynamics and pharmacokinetics expert
- Luc Montagnier, MD – HIV co-discoverer and Nobel prize winner

- John Sheehan, who spent five years working for the United States Department of Energy's National Renewable Energy Laboratory (NREL)
- C. Everett Koop – former US Surgeon General
- Marshall C. Phelps, Jr., JD – former head of IP for Microsoft
- Richard T. Gerstner – former head of IBM personal computing division
- Anthony Freda, Jr. – retired Fortune 500 executive
- Nathan Tinker, PhD – Executive Director of New York Biotechnology Association
- Randall H. Riley, former Texas State Representative
- Mitchell Klafter, attorney

Our chief scientist, Dr. M. Karen Newell Rogers', is the Raleigh R. White Jr. Endowed Professor of Surgical Research at Scott and White Hospital's Department of Surgery, affiliated with Texas A&M University Health Science Center's College of Medicine, located in Temple, Texas. Dr. Newell Rogers also spends a portion of her working time with Texas A&M's AgriLife Research and their team to develop algae and plant-based biofuel. In 2010, Dr. Newell Rogers obtained a $750,000 grant from the Emerging Technologies Fund to support her research in this area.

As a result of Dr. Newell Rogers' new position in Texas, she is now surrounded by leading clinicians treating patients on a day-to-day basis in a prestigious, multi-practice hospital. The pending drug-resistant cancer clinical trial is a direct result of the expertise-sharing facilitated by her new appointment, and several of our preclinical programs have also benefitted from this setting.

Other Specific Information Required in Pinksheets Guidelines

1. Viral Genetics Inc. is a Delaware corporation.

2. Incorporation: 1998.

3. Fiscal year-end: December 31.

4. The Company has never been in bankruptcy, receivership or any similar proceeding.

5. Material reclassifications, mergers, consolidations, purchases, or sales of a significant amount of assets are disclosed in the attached financial statements.

(a) In March 2009 the Company completed the acquisition of Carcinotek, Inc., in exchange for 5,000,000 shares of Series A Preferred Shares (see Part B above, and Supplemental Information filed on OTC News and Disclosure system for the period ending March 31, 2009, available at www.pinksheets.com).

(b) In May 2009 the Company entered into an Amended and Restated License and Option Agreement with the University of Colorado that amended, expanded and replaced the original Exclusive License Agreement and related Option Agreements previously entered into by V-Clip Pharmaceuticals, Inc. In December 2009, this agreement was amended a third time, essentially replacing the options we previously held with two direct licenses of the underlying patents, patent rights, patent applications, and other rights.

(c) In October 2010, the Company completed the purchase of the portion of Viral Genetics Latin America LLC, a California limited liability company ("VGLA)" and subsidiary, that it did not own. In prior filings the Company erroneously indicated that the portion of VGLA in question was 6.83%. During the process of negotiation and due diligence, this amount

was corrected to 3.0%. The Company acquired this VGLA membership interest through the issuance of a total of 7,500,000 shares of common stock valued at $225,000.

(d) In December 2009, the Company agreed to sell up to 25% of MetaCytoLytics, Inc., our subsidiary, to Richard Trauger for nominal consideration in payment for his services as Vice President of Product Development of that company. The final agreement with Mr. Trauger resulted in his acquisition of 10% of MetaCytoLytics. The Company settlement of accrued salary due to him through the issuance of 2,527,573 shares of common stock valued at $137,500 and is negotiating the repurchase of his 10% interest of MetaCytoLytics, Inc.

(e) In 2010-2012, nine private investors acquired shares of common and preferred stock of our subsidiary, VG Energy, Inc. (VGE), representing 12% of total common and preferred on an as-converted basis for aggregate cash consideration of $600,000. The Company may sell additional shares of each class of stock for cash. Management and key consultants of VGE also elected to be compensated with common shares (but not preferred shares) in lieu of salary representing 5.55% of total common and preferred on an as-converted basis, and also received options to purchase 5,425,000 shares of VGE common stock at $0.083.

6. The Company has received no notice of default on any material indebtedness.

7. Change of Control. See **Item V**, B, 4.

8. In the year ended December 31, 2011, the Company issued a total of 303.7 million shares of common stock, which represents an increase of more than 48%.

9. Other than as is disclosed herein there is no past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off or reorganization.

10. On March 25, 2009, the Company voluntarily filed a Form 15 with the Securities and Exchange Commission terminating its status as a reporting issuer. As a result, the Company ceased trading on the OTCBB market and is now quoted on the "Pinksheets" OTC market.

11. Legal Proceedings.

T&T Settlement

On December 29, 2010 the Company entered into a binding Release and Settlement Agreement (the "Settlement") with Timothy and Thomas, LLC ("T&T"), and its principals, Thomas J. Little and Timothy W. Wright, III. Haig Keledjian, our President and a principal stockholder of the Company, was also party to the agreement. The Settlement, effective as of October 19, 2010, was filed with and approved by United States District Court for the Northern District of Illinois on January 3, 2011. The Settlement itself is subject to a confidentiality ruling by the court.

As a result of the Settlement, T&T's complaint (as amended) against the Company and Haig Keledjian, and our counter-complaint (as amended) against T&T and its principals, were dismissed without admission of liability by any party, effectively ending the litigation that began in March 2006.

As part of the Settlement, we terminated the Distribution Management Agreement (the "DMA") between us and T&T, effectively reacquiring the rights to develop and market HIV/AIDS products in Africa. The DMA had granted these rights to T&T for a period of twenty years. In consideration we agreed to pay to T&T over the course of three years a total of $1,900,000 as follows: $1,000,000 by November 1, 2011; $450,000 by November 1, 2012; and $450,000 by November 1,

2013. These installments are secured by and will be paid under a Convertible Debenture (the "Debenture").

Under the Debenture and subject to certain terms and conditions, at our option we can elect to make these installment payments in cash or in shares of common stock. The conversion price for a payment in shares is equal to the 20-trading day volume-weighted average closing price of the shares for the period ending the day that is 21 days prior to each installment due date, not to exceed $0.15. Further, if the Company's common shares trade at or above $0.20, the option to receive payment in shares or cash is be at T&T's discretion. We may also prepay all or any part of the Debenture in cash or stock at any time without penalty, provided that we can only prepay in stock under certain terms and conditions including that the shares are either registered for resale or may be sold under an exemption from registration. We can also direct T&T to assign all or any part of the Debenture to a third party for cash at any time. The Debenture ranks junior in security to the note held by Best Investments, Inc. (controlled by Haig Keledjian, our President), but will rank senior to any subsequent debt issued by the Company. Unpaid principal and interest under the Debenture is accelerated under certain terms and conditions. On November 6, 2011, we satisfied the payment of the first $1,000,000 principal and accrued interest through the issuance of 81,655,691 shares of common stock. As of December 31, 2011, the balance of this note including accrued interest is $900,708.75, of which $450,000 plus accrued interest is due November 1, 2012.

Lawsuit Relating to Harry Zhabilov, Jr. and Jordanka Zhabilov

On February 9, 2012, we entered into a Settlement Agreement and Mutual Release of Claims with Harry H. Zhabilov and related parties ("Zhabilov Parties") effectively ending litigation and outstanding claims and complaints brought by them against us, and vice versa. As part of this settlement, the Zhabilov Parties agreed to return to the Company all shares, ownership interests, royalties and other value in the Company, its technology, and related entities, including 6,460,401 Company common shares that have been returned to date. In addition, we entered into a Non-License Commission Agreement with some of the Zhabilov Parties that will pay us a commission on any sales of a product currently being developed by them; and, similarly, we agreed to pay to the Zhabilov Parties a commission on any sales of a product based on an older patent of our which we are not currently developing or expecting any revenue from.

B. Business of Issuer

TPT Drugs

VGV-X is the injectable form of the APi1177 peptide which we have designed to modify an infected person's immune response to HIV to remove a form of inflammation and immune response believed to be necessary for continued HIV infection. The mechanism of action of APi1177 is to remove a "decoy" peptide including one called CLIP ("class-II invariant chain peptide") that is externally displayed by certain cells after infection with HIV. We believe that the external display of CLIP by B-Cells – a novel discovery since it was generally thought to only be found on the inside of antigen-presenting cells – leads to a type of chronic inflammation that is believed to be necessary for the further spread of HIV while simultaneously disguising the infected cell from the human system, allowing further spread of the virus to new T-Cells ultimately leading to immune deficiency. Our VGV-X therapy is intended to reverse this inflammation and viral spread.

An important aspect of TPT is the genetic component. In essence, each human being has a genetic "fingerprint" that marks their immune system cells in a highly specific way through. Each targeted peptide must fit the "fingerprint" of people we wish to treat. We do this for each disease where we intend to develop a treatment through the use of computational biology to custom-design targeted peptides. We have completed laboratory in vitro testing that we believe suggests VGV-X can reproduce these effects in humans.

Because we are now able to take into account this immune-system fingerprinting, we believe that VGV-X may produce a positive antiviral effect in a larger percentage of patients than our earlier HIV/AIDS product which was not targeted in this manner, as well as having a stronger average antiviral effect. We received pre-IND guidance from the FDA regarding our progress to date and our proposal for continued development and clinical trials in the US. As a result of this guidance, we intend to move forward with pharmacology, toxicology and other IND-enabling studies we proposed or the FDA suggested (see **Item XVI** – *Plan of Operation*). The initial human clinical trial for the APi1177 product would likely be a Phase 1 study, if approved. The market for HIV/AIDS therapies is currently around $14 billion annually, and an estimated 33 million people suffer from it worldwide (UNAIDS 2010).In March 2012 we submitted a pre-IND for a second, similar peptide as a treatment for Lyme Disease which is called VGV-L in injectable form. Statistics on the prevalence of Lyme Disease, which is notoriously difficult to diagnose, in the US range from tens of thousands to several hundred thousand but it is the most common tick-borne illness in the Northern Hemisphere. The market for Lyme Disease therapies is strictly limited to the antibiotics that are currently offered to the fraction of Lyme sufferers who are quickly diagnosed within days of a tick bite. There is essentially no treatment available for people with Lyme once the disease is in place.

We continue to develop targeted peptides for use in other diseases including Multiple Sclerosis; Staphylococcus, Streptococcus and Sepsis infection; preeclampsia; transplant rejection; Pediatric Autoimmune Neuropsychiatric Disorders ("PANDAS"); and HIV prevention. The $11 billion market for treatments for MS, which approximately 400,000 Americans suffer from, is dominated by Copaxone and Rebif, with Gilenya a new arrival.

MDT Drugs

We are developing products for the treatment of drug resistant cancer using our MDT compounds. This year, we expect a clinical trial of MDT compounds will begin at the Cancer Therapy and Research Center at the University of Texas at San Antonio including patients to be recruited from Scott and White Hospital in Temple, Texas, on patients suffering from drug resistant cancer starting with ovarian cancer. During this investigator study being conducted under an "investigator IND", our MDT compounds will be used in conjunction with standard chemotherapy, radiation and anti-angiogenesis drugs in a "cocktail" like approach. The goal of our MDT compounds is to weaken cancer cells to render them more susceptible to standard therapies, while possibly causing them to also be more vulnerable to the patient's own immune response. A major goal of the investigator study, which will require approximately 4-6 weeks of treatment and approximately 12 months of follow up, is to isolate one or more ideal combinations of MDT compounds and standard cancer therapy in various cancers. The next step following successful results would likely be to meet with the FDA to discuss the regulatory requirements to pursue commercialization. While a traditional IND application would likely have to be filed in anticipation of one or more human clinical trials, the Company notes that the MDT compounds are either already approved by the FDA for other diseases or are compounds for which a large safety profile has been established. As such, the

Company will likely be able to take advantage of already-existing data filed with the FDA or published studies. Further, should clinical trials be successful, we may be able to pursue marketing approval under the "505 (b) (2)" pathway, which is the regulation intended for already-approved products for which new indications have been proposed. This regulation allows the use of pre-existing data, including clinical trial data from already filed New Drug Applications ("NDAs") of other sponsors, to avoid having to repeat lengthy and costly studies including human clinical trials. If accepted under this pathway, marketing exclusivity may be granted separate from, but not in addition to, that available under patent rights.

This study is being funded by an anonymous gift to the Scott and White Foundation of $1.5 million.

In 2011 a patent we hold the exclusive license to was issued for the use of dichloroacetic acid (DCA) in the treatment of cancer. Several companies and research entities, both in the US and internationally, have done extensive work to validate and unlock the value inherent in utilizing DCA as a therapeutic agent. Over the last four years, extensive validating research has been performed that documents DCA as a potentially powerful cancer treatment. Dr. Newell Rogers is one of the scientific pioneers suggesting that agents, including DCA, that disrupt tumor specific metabolic pathways, will have value as novel cancer drugs and, as such, she is the first researcher to have a patent granted on its use in the battle against cancer. There are currently over 10 clinical trials using DCA in the USA.

The market for cancer therapies is projected to grow to over $80 billion annually over the next few years. Growth is being driven by novel therapies include anti-angiogenesis drugs and monoclonal antibodies.

Biofuel and Oil Production Compounds

Our VG Energy subsidiary is developing products for use in the augmentation of yields of algae and other oils that can be refined into diesel and other transportation fuels, as well as into high value edible, cosmetic and nutraceuticals oils. Current technology is able to produce algal oils, including oil refineable into transportation fuel, but only at uneconomical prices far exceeding current crude oil costs.

We have completed "bench level" studies of our compounds' ability to increase algal and certain plant and fungal oil yields by up to 300% and these studies have been validated by independent researchers at Texas A&M University. A significant side benefit of our compounds is that they increase oil production in the algae cells to such a degree that oil is secreted, possibly obviating the need to extract it from the cells by crushing or chemical treatment methods – both of which harm or destroy the cells. By being able to recycle the algae cells, further productivity gains may be realizable. A model of production costs using our compounds and assuming the recycling feature projects a cost of oil production comparable to the current market price for crude oil.

We are now pursuing the validation of the scalability of our compounds to industrial-size production environments by contracting with existing algal oil and other producers. The goal of this testing is to demonstrate that the compounds can achieve the same yield increases in large production environments using current production methods. There are three primary methods of algae production in use today: open raceways or ponds, closed bioreactors similar to fermentation tanks used in alcohol brewing, and open water such as the sea. We expect to contract with at least one producer using each method to validate our compounds' economically commercial.

The market for transportation fuel is enormous with worldwide oil demand over 85 million barrels per day at current market prices in excess of $100 per barrel.

We have also demonstrated in the lab that the same techniques increase oil yields of other plant and plant-like cells as well as fungi, including for example yeast, corn, palm and pea. We are also investigating use of the MDT pathways to augment sugar yields in some plants. Pursuit of the additional development of these applications is planned for the future.

We currently own approximately 80% of the common and preferred shares of VGE, and have sold approximately 12% of the common and preferred shares (see **Item V** – 3) for a total of $600,000 cash to various private investors to fund VGE's seed-stage development efforts (see Item VI, footnote 6) primarily focusing on establishing proof-of-concept followed by scale-up studies of VGE's products to demonstrate their ability to duplicate oil-increasing capabilities in an industrial-sized production environment (after already having completed several pilot "bench-level" studies).

Governmental Regulations

Pharmaceutical Regulations

Drug development is time consuming, expensive, and unpredictable. On average, only one out of many thousands of chemical compounds discovered by researchers proves to be both medically effective and safe enough to become an approved medicine. The process from discovery to regulatory approval can take many years; the FDA estimates an average of eight and a half years for this process. Drug candidates can fail at any stage of the process. Candidates may not receive regulatory approval even after many years of research, and products that have been approved and marketed can be ordered to be withdrawn from the market by regulatory authorities.

Pharmaceutical companies are subject to extensive regulation by numerous national, state and local agencies. Of particular importance is the FDA in the United States. It has jurisdiction over virtually all of our business and administers requirements covering the testing, safety, effectiveness, approval, manufacturing, labeling, marketing, advertising and post-marketing surveillance of our pharmaceutical products.

The typical path of drug development in the USA is to file an Investigational New Drug application ("IND"), which includes comprehensive data related to the toxicity and pharmacology of the drug candidate. In most cases, this data will have been obtained through animal testing, although in some cases it will include human testing data from outside the USA. Typically, if the candidate is deemed to be free of major harmful side effects or has an acceptable level of side effects, is a well-characterized substance, and its functioning is reasonably well understood, the FDA will grant permission to conduct a Phase 1 human clinical trial provided that the sponsor adheres to certain ethical principles. Phase 1 trials involve relatively small numbers of subjects (usually 20-80) and are intended to establish the safety of the candidate in humans, determine safe dosage ranges, and identify side effects. A Phase 1 human clinical trial typically requires less than a year to complete although there are exceptions.

Following a successful Phase 1 trial, the candidate will typically be tested in a Phase 2 human clinical trial. A Phase 2 trial is intended to further establish the safety of the candidate, as well as obtain certain data related to the efficacy of the drug candidate. The number of subjects tested is usually 100-300, although sample sizes vary on a case-by-case basis. Sometimes, more than one Phase 2 trial can be required. Successful completion of Phase 2 trials is sometimes referred to as "proof of concept."

Finally, following successful Phase 2 trials, a drug typically moves on to Phase 3 trials which are very large and expensive studies in which usually 1,000-3,000 subjects are tested at a number of locations in an attempt to establish the statistically significant efficacy of the candidate, to further monitor side effects and to compare the candidate against existing approved treatments. Following a successful Phase 3 study, the sponsor of the candidate will file a New Drug Application ("NDA") or Biologics License Application ("BLA"), depending on the nature of the drug candidate, seeking permission to market the product in the USA.

The FDA generally requires the collection of data following such approval, and this is typically referred to as Phase 4.

According to the FDA's "Guidelines for Industry: Acceptance of Foreign Clinical Trials," the results from human clinical trials conducted outside of the United States but not under an IND can be included in submissions to the FDA if the trials were conducted in accordance with the ethical principles of the Declaration of Helsinki. The trial must also be designed and implemented to be otherwise consistent with the FDA's standards of clinical practice.

According to the FDA's guidance document "Antiretroviral Drugs Using Plasma HIV RNA Measurements - Clinical Considerations for Accelerated and Traditional Approval", the FDA has developed a systematic approach to the evaluation of HIV therapies. Treatments seeking accelerated approval must demonstrate a significant reduction in RNA viral load (PCR is one means of detecting HIV RNA) within a 24-week period, whereas treatments seeking traditional approval must demonstrate significant reduction in RNA viral load over a 48 week period. The FDA also considers changes in CD4+ counts consistent with observed HIV RNA changes in both approval processes. It is not clear at present to what extent these guidelines, which are designed specifically with the risks and benefits of anti-retroviral drugs in mind, will be directly applicable to our own prospective drug candidate.

A treatment may be considered for accelerated approval if it is targeting a serious or life-threatening disease, there is a testable indicator that is predictive of clinical benefit (such as HIV RNA in the case of HIV infection) and there must be a demonstrable improvement in activity relative to existing therapies in a population in need of additional therapeutic options. Other bases for accelerated approval include a novel mechanism of action, improved efficacy or safety or tolerability, more convenient dosing schedule, different cross-resistance profile, favorable drug-drug interaction profile, or utility in a specific population in need. The majority of accelerated approvals rely on safety data for 400-500 patients who have received the proposed marketing dose for at least 6 months. Further, efficacy data must include at least 2 well-designed and controlled studies a minimum of 24 weeks in length. If granted accelerated approval, the FDA usually requires that the treatment be studied continuously to monitor side effects, adverse events, and longer term clinical benefit.

Since 1998, the approval of new drugs across the European Union ("EU") is possible only using the European Medicines Evaluation Agency's ("EMEA") mutual recognition or central approval processes. The use of either of these procedures provides a more rapid and consistent approval within the member states than was the case when the approval processes were operating independently within each member state. In addition, the agreement between the EU and 12 other European states to base their approvals on the centralized EU approval will significantly speed the regulatory process in those countries. The EMEA does not, however, have jurisdiction over patient

reimbursement or pricing matters in EU member countries. We will be required to deal with individual countries on such issues.

In regard to our MDT therapy for drug resistant cancer, where we are utilizing or combining already-approved drugs or other small molecule compounds in new uses, we believe that the FDA's "505 (b) (2)" regulations pathway may be relevant. This section of the FDA's regulations provides an accelerated pathway to approval for compounds that have already been approved under a standard NDA and precludes the need for repeating many of the same safety and efficacy studies, including clinical trials. As a result, this regulatory pathway can potentially reduce the time from initiation of clinical trials to marketing approval by several years. In addition, the FDA may, but is not required to, grant marketing exclusivity of 3 to 5 years to the filer of the 505 (b) (2). This is separate from, but not in addition to, any exclusivity that may exist under patent rights.

Specific Information Required in Pinksheets Guidelines

1. The Company's primary SIC Code is 2834 – Pharmaceutical Preparations.

2. The Company is a development-stage company.

3. The Company is not and has not at any time been a "shell company".

4. Parent company, subsidiaries or affiliates of the issuer.

    Parents: not applicable.

    Subsidiaries: The Company has a wholly-owned subsidiary, a California corporation also called Viral Genetics, Inc. The operations of the Subsidiary and the Company are interchangeable, and we consolidate the financial statements of these entities. The original founders of the Company incorporated the Subsidiary in 1995 to hold and pursue commercialization of technology for treatment and detection of HIV/AIDS and autoimmune disease. It was acquired by the Company in 2001.

    In September 2004 we merged a California corporation called Therapeutic Genetics, Inc. ("TGI") with the Subsidiary. TGI was a creditor of the Company's, and at the time of the merger was owed approximately $5 million plus interest in relation to the acquisition of patent rights. Through this merger we extinguished the note payable to TGI in exchange for shares and warrants.

    In October 2008 we merged V-Clip Pharmaceuticals, Inc., a California corporation ("V-Clip"), with the Subsidiary in exchange for shares and warrants. V-Clip was formed by us and the University of Colorado to hold certain patent and patent application rights we now have directly licensed through an Exclusive License Agreement. We formed V-Clip to allow us to perform confirmation and validation testing of the work of Dr. M. Karen Newell Rogers prior to licensing it and assuming the full obligations of same.

    In March 2009 we merged Carcinotek, Inc., a California corporation ("Carcinotek") with the Subsidiary in exchange for Series A Preferred Shares. Through this transaction, we consolidated the last remaining fields of use rights to our early technology that we did not own – in this case, those relating to the treatment and detection of cancer and other applications.

In August 2009 the Company established a wholly-owned subsidiary called MetaCytoLytics, Inc., a California corporation, to pursue the development of MDT with applications in humans, primarily treatment of drug resistant cancer.

We own 100% of Viral Genetics Latin America LLC, a California limited liability company that we had established to pursue commercialization and development of some of our technology in the territory of Central and South America, Mexico, and the Caribbean. During the year ended December 31, 2010, we closed the acquisition of the approximately 3% of Viral Genetics Latin America LLC that we did not own from several private investors. In earlier filings we had indicated this interest was approximately 7%, but during due diligence and negotiations it was corrected to 3%.

Regarding VG Energy, Inc. see **Item V** – 3.

All subsidiaries are consolidated into our financial statements.

Affiliates: We own 49% of the issued and outstanding common shares of White Label Generics, Inc. a developer and marketer of nutritional supplements for people with HIV. A de facto affiliate of the Company, Michael Capizzano, owns the remaining 51% of White Label Generics, Inc.

Under a Senior Secured Revolving Credit Note, we owe certain debts to Best Investments, Inc., a company controlled by Haig Keledjian, who is an officer, director and affiliate of the Company (see Financial Statements and Part D, Item XI, paragraph D on p. 26 in this document for more information regarding the Best Investments, Inc. debt).

5. Government Regulations. Government Regulation

See Item 8-Nature of Issuer's Business; B. Business of Issuer – Governmental regulation

6. Research and Development

In the 12 months ended December 31, 2010 and 2011, respectively, we spent $498,606 and $738,600 on research and development activities.

7. Environmental Compliance. The Company is not aware of any material environmental compliance concerns. We no longer manufacture product ourselves now that we utilize synthetic TPT peptides and contract out that production to third parties. We also acquire certain of our compounds from third parties,. We expect this contract production and third-party purchase of materials to continue in the future indefinitely. Because we are not engaged in production, we believe we have significantly reduced or eliminated all material environmental compliance issues.

8. Employees. We presently have 2 full-time employees including one executive officer, Haig Keledjian. The Company also relies on consulting and advisory relationships with several individuals and firms where a full-time person is not warranted. Research and development services are generally contracted to independent firms or individuals.

Item IX Nature of Products or Services Offered

A. Principal Products or Services, and Markets.

See Item 8 – Nature of Issuer's Business; B. Business of Issuer

B. Distribution Methods of Product and Services.

For our drug therapy products, we are in the research and development stage and are required to complete clinical trials before commercialization. As such, while we may partner with third parties or sell future distribution rights, we are not presently engaged in the distribution of any products.

For our biofuel production compounds, we are currently in the product development phase.

C. Status of Any Publicly Announced New Product or Service.

See Item 8 – Nature of Issuer's Business; B. Business of Issuer

E. Sources and Availability of Raw Materials, and Names of Principal Suppliers.

TPT compounds used for preclinical studies or clinical trials in our drug research programs are produced by external production facilities. Acquisition of drugs used in concert with our MDT compounds can present challenges given that the manufacturer or drug developer generally must agree to the use of the compounds in a research setting. This can involve more detailed communication and negotiation with the manufacturer rather than simply purchasing product. The production of larger batches of products for commercial sale after approval would require construction of our own facility or a long-term contracting relationship with a manufacturer with sufficient capacity. We have sourced a manufacturer for TPT compounds that will be able to meet long-term production demands throughout the development period and beyond. At present we obtain MDT compounds for the biofuel program from outside suppliers. We recently sourced a manufacturer for our APi1177 TPT peptide and are now capable of procuring Good Manufacturing Practices- (GMP-) grade compound, which is required for human clinical trials. We do not foresee any significant issues in connection with manufacturing in general at present.

F. Dependence on One or a Few Major Customers

Not applicable.

G. Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements, or Labor Contracts, Including Their Duration.

Patents and Licensing Rights

In the aggregate, considering the vigorous competition among drug manufacturers and the competition we might expect should any of our drug candidates prove to be accepted, our patent and related intellectual property rights are important to our proposed business in the United States and other countries. For competitive reasons we treat certain aspects of our intellectual property rights, including material terms and conditions of our license and options rights, as confidential (see Item XVI "Risks Associated with Our Business")

The rights we consider significant in relation to our business as a whole are covered by two Exclusive License Agreements with the University of Colorado, one of which pertains to patents and patent applications concerning Targeted Peptides and the other concerning Metabolic Disruption technology. Through Institutional Agreements between the University of Colorado and the University of Vermont, patent rights held by the University of Vermont – where a research collaborator of Dr. Newell Rogers' is employed – are included in the Metabolic Disruption Exclusive License. We recently obtained a license from Texas A&M University to two patents developed by Dr. Newell Rogers since she transitioned there.

Regarding the Targeted Peptide Technology, our rights are in part covered by over 10 US and foreign patents and patent applications under which we have an exclusive license. Regarding the Metabolic Disruption Technology, we hold exclusive licenses to over 60 US and foreign patents and patent applications. We also hold the rights or option rights with regard to several pending applications and discoveries in both Targeted Peptides and Metabolic Disruption.

Regarding all of the foregoing, where we hold exclusive worldwide rights, the rights extend to all fields of use in all diseases. We also hold exclusive option rights to expand our license to include exclusive worldwide rights in all fields of use to any additional improvements made by Dr. Newell in the areas of Targeted Peptides or Metabolic Disruption while she is an employee of the University of Colorado. We have an agreement directly with Dr. Newell concerning our ownership of inventions made by her for work specifically contracted by Viral Genetics that falls outside the scope of University-directed research.

Our rights to exclusivity for licensed patents and patent applications expire on the date that the underlying patents expire, which is at least (depending on delays in the patent review and adjudication process or "prosecution") 20 years from the earliest effective filing date of the application.

Under the Exclusive License Agreements, in general we are obligated to fund the costs of any patents even if such work would be outside a field of use for which we currently have exclusive rights.

We are continually evaluating whether additional applications may be appropriate to protect extensions and variations of our product, and expect to file additional and new applications related thereto.

Under international agreements in recent years, global protection of intellectual property rights is improving. The General Agreement on Tariffs and Trade requires participant countries to amend their intellectual property laws to provide patent protection for pharmaceutical products by the end of a ten-year transition period. A number of countries are doing this. Patent protection in other countries where we have obtained patents and filed patent applications, including, the European Patent Office, The Eurasian Patent Organization, New Zealand, Australia, and Israel, extend for varying periods according to the date of patent filing or grant and the legal term of patents in the various countries where patent protection is obtained. The actual protection afforded by a patent, which can vary from country to country, depends upon the type of patent, the scope of its coverage and the availability of legal remedies in the country.

The expiration of a product patent or loss of patent protection resulting from a legal challenge would be expected to result in significant competition from generic products against the covered product and, particularly in the U.S., could result in a significant reduction in sales of the pioneering product. If we were to lose patent protection, we may be able to continue to obtain commercial benefits from product manufacturing trade secrets, patents on use of our product, and patents on processes and intermediates for the economical manufacture of the active ingredients. The effect of product patent expiration or loss also depends upon the nature of the market and the position of the product in it, the growth of the market, the complexities and economics of manufacture of the product, and the requirements of generic drug laws.

With respect to proprietary know-how and products and processes for which patents are of questionable value or are difficult or impossible to obtain or enforce, we rely on confidentiality

agreements and other trade secret protection measures to protect our interests. We take measures to protect our proprietary know-how and technologies and confidential data, including requiring all employees, consultants and customers to enter into confidentiality agreements. In arrangements with our customers or suppliers that require the sharing of processes and data, our policy is to make available only such data as is relevant to our agreements with such customers and suppliers, subject to appropriate contractual restrictions, including requirements for them to maintain confidentiality and use such processes and data solely for our benefit. However, such measures may not adequately protect our data.

Other Royalty Agreements

Under an Assignment of Patent agreement between ourselves and Therapeutic Genetics, Inc. ("TGI"), we were in part obligated to pay a royalty of 5% of the gross sales of any products derived from TNP to TGI. Subsequently, that royalty was assigned to Therapeutic Genetics, LLC ("TGL"). The royalty is payable for a period equal to the life of the patent underlying the products being sold. The owners of Therapeutic Genetics LLC include officers, directors, Affiliates or de facto affiliates of the Company.

Under two consulting agreements with M. Karen Newell Rogers and Evan Newell, we are obligated to pay certain royalties upon the commercialization of products developed from their work.

Under two Termination Agreements dated March 1, 2004, and effective as of October 1, 2003 (the "Termination Agreements"), between the Company and New York International Commerce Group, Inc. ("NYIC") and L&M Global Ventures, Inc., ("L&M") respectively, we were obligated to pay royalties calculated on the gross profits of sales of certain products in China, Japan, Korea, Malaysia, Taiwan, Hong Kong, Malaysia, Indonesia, Singapore and Thailand (the "Territory"). The royalties payable were 5% to NYIC and 2% to L&M. On March 31, 2008, we entered into two Assignment of Royalty agreements with each of NYIC and L&M whereby we re-acquired half of each royalty back in exchange for shares and warrants. As a result, we are now obligated to pay royalties of 2.5% and 1.0% to NYIC and L&M, respectively, in the Territory.

H. The Need for Government Approval of Principal Products or Services, and Status of Any Requested Government Approvals.

See Item 8 – Nature of Issuer's Business; B. Business of Issuer – Governmental Regulation

We received pre-IND guidance from the FDA regarding our HIV/AIDS product, including our proposed plan for clinical development and human clinical trials. As a result of this, we are moving ahead with the proposed pharmacology, toxicology and other studies described in our pre-IND package and including some additional studies requested by the FDA. These studies will require 6-9 months to complete once initiated, and we intend to submit a full IND following their completion. An initial clinical trial for our HIV/AIDS program will likely be a Phase 1 study. We also submitted a pre-IND for our Lyme disease candidate, which we expect will result in a meeting with the FDA.

An investigator study of our MDT compounds for drug-resistant cancers is expected to begin this year. This study is being carried out under an approval of an investigator IND application. We expect that if this study is successful, we will request a pre-IND meeting to discuss with the FDA a regular "sponsor IND" application. Any such application will be able to use already-existing data from publications or on file at the FDA.

All of our other drug products are in the pre-clinical stage of development, and we have not requested any government approvals for them, although we expect to submit additional pre-INDs for one or more of them this year.

Our biofuel and other high-value oils products are in development, and do not at present require any government approvals.

Item X – Facilities.

The Company leases corporate offices in San Marino, California (see Part D, **Item IX**, paragraph D). The lease, guaranteed by a related party, is for a term expiring September 30, 2013 at a rate of $3,100 per month with provision for 4% annual increases. The lease is extendible at our option for 5 years at a rate equal to 95% of the current market rent, not less than the first year's rent.

In 2011 we negotiated an early termination for a lease for laboratory space in the Texas Life Sciences Collaboration Center. We had previously expected Dr. Newell Rogers to conduct R&D work in that lab, but she transitioned to a facility located at Scott and White Hospital and the Georgetown space was longer required. Our research and development is carried out by various contracted researchers at their own facilities.

Part D – Management Structure and Financial Information.

Item XI – Name of Chief Executive Officer, Members of the Board of Directors, and Control Persons.

A. Officers, Directors, and Affiliates

Full Name	Business Address	5 Year Employment History	Board Memberships and Other Affiliations	Annual Compensation - by Viral Genetics, Inc. - by VG Energy, Inc. (10) (11)	Number and Class of Issuer's Securities Beneficially Owned As of April 30, 2012
Haig Keledjian , CEO, President, CFO. (1) (11)	P.O. Box 1020 South Pasadena, CA 91031	Mr. Keledjian has guided the growth and development of Viral Genetics, Inc., having acted as its Chairman, CEO and President since its 1995 founding. Mr. Keledjian formerly practiced tax and estate law and litigation in the State of California.	State Bar of California, 1993	- $195,000 (3) (10) - $97,500 (3) (10)	Company Common Shares: 44,760,260 Company Series A Preferred Shares: 1,784,067 (2) Company Common Share Purchase Options: 28,000,000 (3) Company Common Share Purchase Warrants: 17,006,802 Company Convertible Debt: $896,872 (4) (6) (10)
Arthur Keledjian, Director	P.O. Box 1020 South Pasadena, CA 91031	Since 2007 Arthur Keledjian has been employed by Forest Lawn Memorial Park previous to which operated an insurance agency. Mr. Keledjian has also served for the City of Glendale Police Department. He is the brother of Haig Keledjian.	none	None	none (1)
M. Karen Newell Rogers, PhD, Consultant (5) (8) (11)	P.O. Box 1020 South Pasadena, CA 91031	Dr. Newell Rogers has been the Raleigh R. White Jr. Endowed Professor of Surgical Research at Scott and White Hospital's Department of Surgery, affiliated with Texas A&M University Health Science Center's College of Medicine, since 2010. Prior to that she was at the University of Colorado, Colorado Springs, as Scientific Director of the CU Institute of Bioenergetics and Immunology and as the Clement and Margaret Markert Endowed Professor of Biology. She has been a consultant to Viral Genetics since 2007.	none	- $120,000 (3) (10) - $60,000 (3) (10)	Company Common Shares: 11,153,163 Company Series A Preferred Shares: 500,000 (2) Company Common Share Purchase Options: 12,700,000 (3) Company Common Share Purchase Warrants: 8,153,163 Company Convertible Debt: $160,000 (10)
Monica Ord, Consultant (5) (8) (11)	P.O. Box 1020 South Pasadena, CA 91031	Ms. Ord is a film and documentary producer in the entertainment industry, and an active fund-raiser for various non-profit organizations and foundations. She is currently a partner in Paradise FX and owner of Arctica Films, both based in California. She has been a consultant and Senior Vice President, Communications and Corporate Development for the Company for over 5 years.	none	- $195,000 (3) (10) - $97,500 (3) (10)	Company Common Shares: 23,646,548 Company Series A Preferred Shares: 500,000 (2) Company Common Share Purchase Options: 10,000,000 (3) Company Convertible Debt: $65,000 (10)
Michael Capizzano, B.Sc., CFA, Consultant (5) (7)	#3 – 215 Grand Avenue, Toronto, Canada, M8Y 3Y3	Mr. Capizzano was Vice President of Finance, Business and Corporate Development for the Company until September 2007. Since, Mr.	Member: CFA Institute, Toronto Society of Financial Analysts; Chartered Hedge	- $150,000 (3) (10) - $75,000 (3) (10)	Company Common Shares: 25,792,281 Company Common Share Purchase Options: 17,200,000

(11)		Capizzano has provided corporate finance and strategy services to various early-stage private and public companies, including Viral Genetics. He is also an investor in and founder of various small companies.	Fund Professional		(3) Company Common Share Purchase Warrants: 29,729,301 Company Convertible Debt: $75,000 (10)
Soh Teck Toh (5)	Bangunan SSA, 4th Floor, No. 9, Jalan Bangsar Utama 3, Bangsar Utama, 59000 Kuala Lumpur, Malaysia	Mr. Toh is retired and is presently a private investor.	none	none	Company Common Shares: 10,087,584 Company Series A Preferred Shares: 500,000 (2) Company Common Share Purchase Warrants: 50,525,104 (9) Company Convertible Debt: $274,312 (4) (6)

Footnotes

(1) Beneficial ownership is attributable to Haig Keledjian for shares held individually, by trusts of which he is sole Trustee but not Beneficiary, and by a corporation controlled by him. Family members of Haig Keledjian, excluding Arthur Keledjian, have a beneficial interest in portions of these shares.

(2) The Series A Preferred Shares are each convertible into 10 shares of common stock.

(3) Under the relevant Employment or Consulting Agreement with the Company or VG Energy, Inc. effective January 1, 2011, which all expire December 31, 2016, these individuals or corporations controlled by them are due to receive options each year, and each received an option upon signing that is included in the total in the rightmost column.

(4) These amounts are exchangeable into one share of Company common stock and one Company share purchase warrant at a conversion price equal to the 20-trading day volume-weighted average closing price of the Company's common stock as of the date of conversion. Based upon this conversion price, as of April 30, 2012, the December 31, 2011 total balance of this note, including accrued interest, is exchangeable for approximately 53 million Company common shares and 53 million Company common share purchase warrants. Of this total, $274,312 is held as nominee for Soh Teck Toh.

(5) May be considered an affiliate.

(6) As of December 31, 2011.

(7) Mr. Capizzano is the sole shareholder, director and executive officer of Bastiat Consulting Ltd., which was retained by the Company under a Consulting Agreement effective January 1, 2011 to provide certain services as a result of which he is deemed to be a de facto affiliate.

(8) Ms. Newell Rogers and Ms. Ord were retained by the Company under a Consulting Agreement effective January 1, 2011 to provide certain services deemed to result in them being de facto affiliates.

(9) In prior reports, the ownership of these warrants was incorrectly attributed to various third parties, and not to Mr. Toh.

(10) Amounts earned and unpaid under individual Company Employment or Consulting Agreements after January 1, 2011 are exchangeable for shares of common stock of the Company at the volume weighted average closing price for the 20 trading days prior to exchange multiplied by 0.8. Amounts earned under individuals' Employment or Consulting Agreement with VG Energy, Inc. are exchangeable for shares of common stock of VG Energy, Inc. at the volume weighted average closing price for the 20 trading days

prior to exchange, or if no market exists, as is currently the case for VG Energy, Inc., then at the fair market value as determined by an independent appraisal ratified by the disinterested member of the board of directors.

(11) Each of these individuals is either employed or engaged as a consultant by the Company's majority-owned subsidiary VG Energy, Inc. under a separate Employment or Consulting Agreement effective January 1, 2011. Compensation under these agreements with VG Energy, Inc., including options, is listed separately in this table. Each individual has been granted options to acquire shares of common stock of VG Energy, Inc. with an exercise price of $0.083 per share that expire on December 31, 2018.

B. Legal/Disciplinary History.

None of the foregoing persons have, in the last five years, been the subject of

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Disclosure of Family Relationships.
Two of our directors, Haig Keledjian and Arthur Keledjian, are brothers. Of the securities reported as beneficially owned by Haig Keledjian herein, a portion are held by trusts the beneficiaries of which are the children of Mr. Keledjian.

The son of M. Karen Newell Rogers, PhD, Evan Newell, PhD, is a consultant to the Company and provides computational biology services related to our TPT platform. Dr. Newell Rogers' husband, Jeff Rogers, has been employed at Dr. Newell-Roger's research lab as a lab technician and flow cytometry expert.

D. Related Party Transactions.

On March 5, 2008 Best Investments, Inc. ("Best"), a corporation controlled and owned by our President, Haig Keledjian, entered into a Debt Restructuring Agreement with us whereby we and Best agreed to restructure indebtedness owed by us to Best at that time plus accrued interest. The original indebtedness matured on March 29, 2008. The Debt Restructuring Agreement converted the existing indebtedness to a revolving line of credit that is secured by substantially all of our assets. The revolving line of credit matures June 30, 2013, bears interest at the rate of 5% per annum, payable at the maturity date. The obligations under the revolving line of credit may be prepaid at any time and may be exchanged for common stock and warrants. The conversion price is equal to the volume-weighted closing price of our common stock for the 20 trading days preceding notice of conversion by Best. For each share of stock issued for conversion of obligations, Best will receive a warrant to purchase a share of common stock for 150% of the price at which obligations under the revolving line of credit were converted. Such warrants expire five years from the date of issuance. The amount Best agreed to lend under the revolving line of credit

was not limited. The obligations of under the revolving line of credit are guaranteed by the Subsidiary. The highest balance on this note during the period January 1, 2010 to December 31, 2011 was $1,291,968, including principal and interest. The balance of this note as at December 31, 2011 was approximately $711,872 including accrued interest (see Item VIII, B, paragraph 4 on p. 15). Mr. Keledjian can be deemed to have full economic interest in the revolving line of credit, subject to the portion of the note that is held as nominee for Soh Teck Toh (see below). All transactions by Best relating to this note during the period January 1, 2010 to December 31, 2011 are disclosed in the accompanying financial statements.

From time to time Mr. Soh Teck Toh, who could be considered an affiliate, has advanced cash to the Company to fund its operations through the revolving line of credit held by Best, with Best acting as his nominee. Although Mr. Toh does not exercise voting or investment control over Best or the revolving line of credit, he does have a pecuniary interest in a portion of the line of credit. These advances are included in the total balance above. The portion of the balance above that is owed to Mr. Toh as at December 31, 2010 is approximately $274,312. From time to time, Mr. Toh has tendered portions of the note held as nominee for him under purchase agreements in consideration of units of shares and share purchase warrants ("Units"). Each Unit is comprised of one share of common stock and two warrants with an exercise price of $0.03, expiring two years from issuance. During the period January 1, 2010 to December 31, 2011, Mr. Toh acquired a total of approximately 35 million Company Units in this fashion in exchange for a total of approximately $700,000 in advances. As a result, he acquired a total of 35 million shares of common stock and approximately 35 million warrants with an exercise price of $0.03, the unexpired portions of which will expire on dates ranging from July 30, 2012 to November 4, 2013. The shares acquired by Mr. Toh upon conversion are generally transferred by him to family and friends**.** There are no currently proposed transactions by Mr. Toh, although it is likely he will elect to make additional advances, under the Best note or otherwise, and tender his advances for additional Units on the terms described herein or at prices to be determined.

In September 2008 we leased our current corporate offices in San Marino, California. The lease is in the name of an immediate relation of Haig Keledjian our President, a director and principal shareholder, and Arthur Keledjian, a director. We sub-lease the premises from them at a rate identical to the underlying lease. See **Item X**.

Effective January 1, 2011, the Company entered into an Employment Agreement with Haig Keledjian, the Company's President, a director and principal shareholder; Consulting Agreements with M. Karen Newell Rogers, Monica Ord, and Michael Capizzano, who may be considered affiliates; and Consulting Agreements with Robert Berliner, and Evan Newell (see **Item XI** *C*.) for services including management of the Company, research and development, business and corporate development, financial and operational management, intellectual property legal advice, and other services. Each agreement provides for a base monthly salary or, in the case of consultants, a consulting fee as well as annual common stock purchase options. In the case of Dr. Newell Rogers and Dr. Newell, royalties are also payable under certain circumstances (see **Item IX** *G*.). Annual stock options are issuable on January 1st of each year during the term of the employee's or consultant's agreement and such options have an exercise price equal to the 20-day volume-weighted average closing price of the Company's common shares as reported on the exchange on which they then trade ("VWAP") and expire on December 31, 2018. Reference is made to Note 5a.

to the financial statements for further detail. Salaries and fees, if unpaid, accrued under unsecured non-interest bearing convertible notes that allow the holder to exchange principal for Company common shares at a conversion price equal to 80% of the VWAP, calculated on the date of conversion. Accrued but unconverted salaries or fees are recorded on our balance sheet as accrued expenses (See **Items XI** and **XIV**.) As of December 31, 2011, the total owed under these convertible notes is approximately $550,000 which, if exchanged as of May 4, 2012, would result in the issuance of approximately 53.8 million common shares.

Also effective January 1, 2011, our majority-owned subsidiary, VG Energy, Inc., ("VGE") entered into an Employment Agreement with Haig Keledjian, the Company's President, a director and principal shareholder; Consulting Agreements with M. Karen Newell Rogers, Monica Ord, and Michael Capizzano, who may be considered affiliates; and a Consulting Agreements with Robert Berliner for services including management of VGE, research and development, business and corporate development, financial and operational management, intellectual property legal advice, and other services. Each agreement provides for a base monthly salary or, in the case of consultants, a consulting fee as well as annual common stock purchase options. In the case of Dr. Newell Rogers and Dr. Newell, royalties are also payable under certain circumstances (see **Item IX** *G*.). Annual stock options are issuable on January 1st of each year during the term of the employee's or consultant's agreement and such options have an exercise price equal to the fair market value of the fully-diluted common shares as determined by the board of directors ("FMV"), or, if the VGE common shares are quoted for trading on a recognized trading market then the exercise price shall be equal to the VWAP of the VGE common shares; the VGE options expire on December 31, 2018. Reference is made to Note 5b to the financial statements for further detail. Salaries and fees, if unpaid, accrued under unsecured non-interest bearing convertible notes that allow the holder to exchange principal for Company common shares at a conversion price equal to the VWAP, or if not available, then the FMV, calculated on the date of conversion. Accrued but unconverted salaries or fees are recorded on our balance sheet as accrued expenses. (See **Items XI** and **XIV**.) As of December 31, 2011, the total owed under these convertible notes is approximately $83,000 which, if exchanged as of May 4, 2012, would result in the issuance of approximately 1 million VGE common shares utilizing the most recent valuation at which third-party investors have acquired common shares in exchange for cash.

E. Disclosure of Conflicts of Interest.

Refer to **Item XI**, D – Related Party Transactions.

Item XII Financial Information for the Most Recent Fiscal Period.

Attached.

Item XIII Similar Financial Information for Such Part of the Two Preceding Fiscal Years as the Issuer or its Predecessor has Been in Existence.

Attached.

Item XIV Beneficial Owners of All Persons Beneficially Owning More Than 5% of Any Class of the Issuer's Securities

***N.B.: The "Total" for each individual assumes conversion and exercise of all securities in addition to shares owned, and only includes Viral Genetics, Inc. securities. Exercise of options and warrants listed in this table generally requires the holder to deliver cash to the Company at the rate of $0.03 per share or higher; that is, more than $7.7 million cash. ***

Shareholder	**Beneficial Ownership (Number of common shares owned or acquirable upon exercise or conversion)**
Haig Keledjian (1) (6) P.O. Box 1020 South Pasadena, CA 91031	Company Common Shares: 44,760,260 Company Common Share Purchase Options: 28,000,000 (5) Company Common Share Purchase Warrants: 17,006,802 Acquirable on Conversion of Company Series A Preferred Shares: 17,840,680 (7) Company Convertible Debt: $896,872 (3) (4) (6)
	Total: 231,114,752
Soh Teck Toh (2) Bangunan SSA, 4th Floor, No. 9, Jalan Bangsar Utama 3, Bangsar Utama, 59000 Kuala Lumpur, Malaysia	Company Common Shares: 10,087,584 Company Common Share Purchase Warrants: 50,525,104 (8) Acquirable on Conversion of Company Series A Preferred Shares: 5,000,000 (7) Company Convertible Debt: $274,312 (3) (4)
	Total: 86,083,733
M. Karen Newell Rogers (2) (6) P.O. Box 1020 South Pasadena, CA 91031	Company Common Shares: 11,153,163 Acquirable on Conversion of Company Series A Preferred Shares: 5,000,000 Company Common Share Purchase Options: 12,700,000 (5) Company Common Share Purchase Warrants: 8,153,163 Company Convertible Debt: $160,000 (6)
	Total: 51,931,699
Monica Ord (2) (6) P.O. Box 1020 South Pasadena, CA 91031	Company Common Shares: 23,646,548 Acquirable on Conversion of Company Series A Preferred Shares: 5,000,000 (7) Company Common Share Purchase Options: 10,000,000 (5) Company Convertible Debt: $65,000 (6)
	Total: 44,709,980
Robert Berliner (2) (6) P.O. Box 1020 South Pasadena, CA 91031	Company Common Shares: 8,153,163 Acquirable on Conversion of Company Series A Preferred Shares: 5,000,000 (7) Company Common Share Purchase Options: 3,750,000 (5) Company Common Share Purchase Warrants: 8,153,163Company Convertible Debt: $80,000 (6)
	Total: 32,519,012
Michael Capizzano (2) (6) #3 – 215 Grand Avenue, Toronto, Canada, M8Y 3Y3	Company Common Shares: 25,792,281 Company Common Share Purchase Options: 17,200,000 (5) Company Common Share Purchase Warrants: 29,729,301 Company Convertible Debt: $75,000 (6)
	Total: 79,717,850

Unless indicated, all amounts are as of April 30, 2012. The above table includes common shares and securities convertible or exercisable for common shares, including those held directly by the individual, by trusts of which the individual is trustee or a beneficiary of, and corporations or other entities over which the individual has control.

(1) Officer and Director of the Company.
(2) May be considered a de facto affiliate of the Company.
(3) These amounts are exchangeable into one share and one warrant at a conversion price equal to the 20-trading day volume-weighted average closing price ("VWAP") of the Company's common stock as of the date of conversion. Based upon the conversion price as of April 30, 2012, the December 31, 2011 total balance of this note, including accrued interest, is exchangeable for approximately 53 million shares and 53 million warrants.
(4) This amount is also included in the amount listed for Haig Keledjian, and represents Mr. Toh's beneficial interest in his portion of the total balance.
(5) Under this individual's employment or consulting agreement they will receive additional stock purchase options.
(6) Amounts earned and unpaid under individual Company Employment or Consulting Agreements after January 1, 2011 are exchangeable for shares of common stock of the Company at the volume weighted average closing price for the 20 trading days prior to exchange multiplied by 0.8. Amounts earned under individuals' Employment or Consulting Agreement with VG Energy, Inc. are exchangeable for shares of common stock of VG Energy, Inc. at the volume weighted average closing price for the 20 trading days prior to exchange, or if no market exists, as is currently the case for VG Energy, Inc., then at the fair market value as determined by an independent appraisal ratified by the disinterested member of the board of directors. In addition, these individuals have received options to acquire shares of common stock of VG Energy, Inc. with an exercise price of $0.083 per share expiring on December 31, 2018, and will receive additional options in the future.
(7) Each Series A Preferred share is exchangeable into 10 shares of common stock. Amounts shown here are after conversion to common.
(8) In prior reports, the ownership of these warrants was incorrectly attributed to various third parties, and not to Mr. Toh.

Item XV – Service Providers.

1. Investment Banker: N/A
2. Promoter: N/A
3. Counsel:

Robert A. Forrester
1755 North Collins Blvd., Suite 360
Richardson, TX, 75080
Tel: 972-437-9898
Email: raforrester@sbcglobal.net

4. Accountant. Myron Landin, CPA, as principal of JTL Enterprises Corp., his consulting firm, has assisted in the preparation of the enclosed unaudited financial statements in accordance with generally accepted accounting principles (GAAP). We believe that he is a person with sufficient financial skills to do so. He is licensed as a CPA in the State of New York, and has over 30 years' experience in public company accounting, including as CFO and director of public companies and

as an accounting manager with a former Big 8 (now Big 4) firm, and partner with a larger regional PCAOB registered accounting firm. In the past 5 years he has assisted companies as an accounting consultant and expert in the preparation of SEC registration statements, proxy filings and periodic reporting filings and in the preparation for PCAOB firm audits and the preparation of GAAP and SEC compliant financial statements and is currently the interim CFO of a reporting OTCBB listed gold mining company. Management provides Mr. Landin with preliminary general ledger and other financial information related to our business, and he assists with creating closing entries, preparation of financial statements and the notes thereto. We provide Mr. Landin with all material we believe relevant supplemented by additional information and conversations with management that he considered necessary. While our financial statements are not audited or reviewed by Mr. Landin, based upon the foregoing procedures we believe they are materially compliant with US GAAP. Further, we have read these financial statements and the notes thereto and believe that they fairly present our financial condition in all material respects and believe that all material disclosures required for to understand our financial condition are included therein.

Myron Landin, CPA
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Dix Hills, NY 11746
Tel: 631 897 3145
Email: myron.landin@gmail.com

5. Public Relations Consultant:

N/A

6. Investor Relations Consultant:

Bryan Crane
Bluewater Advisory Group LLC
Tel: (805) 294-3723
Email: BCrane@BWAdvisory.com

7. Other Advisors That Assisted, Advised, Prepared or Provided Information With Respect to This Disclosure Statement.

Michael Capizzano
(as sole shareholder, director and officer of Bastiat Consulting Ltd.)
#3 – 215 Grand Avenue
Toronto, ON M8Y 2Z5
Tel: (647) 547-2829
Email: michaelcapizzano@hotmail.com

Item XVI Management's Discussion and Analysis, or Plan of Operation.

This Item XVI includes and is intended to be read in conjunction with the "Risks Associated with Our Business" that appears at the end of the section and the Consolidated Financial Statements (unaudited) for the year ended December 31, 2011 available at www.otcmarkets.com.

Results of Operations and Liquidity

The Company experienced a smaller net loss in 2011, down 25% from $7,240,220 in 2010 to $5,418,406 in 2011 due largely to decreased interest expense in 2011 and large one-time charges in 2010 which were offset somewhat by increased 2011 "above the line" expenses. Total expenses were up 53% to $4,066,752 in 2011 from $2,665,920 in 2010. Virtually all categories of expenses increased but especially management salaries and consulting fees primarily as a result of the launch of our majority-owned subsidiary, VG Energy, Inc. (VGE) whose results are consolidated, rendering year-over-year comparison challenging.

- Research and development expenses increased by 48% from $498,606 to $738,600 due to the addition of expenses associated with services provided to VGE, including accruals for salaries or consulting fees that are exchangeable for shares of VGE and VGE share purchase options issue to certain consultants. In addition, we granted Company stock purchase options to certain employees as part of a restructuring of key team members' contracts, including management, and the initial stock option grants resulted in a larger-than-normal non-cash charge.
- Management salaries increased by 186% from $219,000 to $628,500 also due to the addition of expenses associated with services provided to VGE, including accruals for salaries that are exchangeable for shares of VGE and VGE and stock based compensation resulting from the issuance of common stock purchase options. This included grants to certain employees as part of a restructuring of key team members' contracts, including management, and the initial stock option grants resulted in a larger-than-normal non-cash charge.
- Consulting fees increased by 52% from $989,070 to $1,512,000 also due to the addition of expenses associated with services provided to VGE, including accruals for consulting fees that are exchangeable for shares of VGE and VGE share purchase options issue to certain consultants. In addition, we granted Company stock purchase options to certain consultants as part of a restructuring of key team members' contracts, including management, and the initial stock option grants resulted in a larger-than-normal non-cash charge to consulting fees.
- Depreciation and amortization increased by 35% from $90,033 to $121,963 due to the increase in accretion of debt discount relating to the convertible debenture issued in connection with the T&T lawsuit settlement in November 2010. In addition amortization of certain deferred stock based compensation was completed in 2010. These are non-cash expenses that are generally satisfied through share issuances relating to satisfaction of amortization expense, the liabilities for which are already reflected in the "net of discount" for the associated debt on our balance sheet.

- Legal and Professional Fees increased by 34% from $542,713 to $725,804 due to increased legal services relating to intellectual property and patent prosecution, increased general corporate legal services, and settlement of legal fees for settled litigation.
- General and administrative expenses were relatively flat at $339,885 in 2011 from $326,497 in 2010.
- Interest expense was 51% lower in 2011 at $1,425,214 compared to $2,911,237 in 2010 due to lower aggregate financing costs in 2011 as compared to 2010. The decrease was principally associated with the satisfaction of portions of the revolving line of credit with the issuance of common stock purchase warrants in 2010. This decrease was partially offset by financing costs and interest expense, associated with certain debt settlement arrangements incurred in 2011 which increased substantially as compared to 2010. Specific transactions included satisfaction of certain consultant's notes, obligations under convertible debentures and debt settlements with restricted shares of Company common stock at prices discounted from the market price at the time. Such transactions will likely continue to be satisfied in shares of common stock.
- Settlement-distribution agreement rights expense in 2010 of $1,668,953 represented a one-time charge relating to the reacquisition of African distribution rights and settlement of related litigation expenses. This obligation was satisfied with shares of the Company.

In the year ended December 31, 2011, we decreased our total liabilities by approximately 20% to $4,104,417 from $5,110,246 largely as a result of the payment of the first installment on a note issued in payment in common stock for the reacquisition of African distribution rights and settlement in common stock of related litigation expenses, and the payment in common stock of related party notes. This was offset somewhat by an increase in accrued expenses and convertible promissory notes. Results of operations for the year ended 2011 included approximately $2.7 million in costs that were satisfied by the issuance of common stock, including financing costs, consulting and professional fees. As detailed in our Statement of Cash Flows included in our unaudited financial statements for the year ended December 31, 2011 attached hereto, approximately $2.7 million of costs and a total of approximately $3.2 million in various forms of indebtedness were satisfied with the issuance of common stock during the year ended December 31, 2011.

As at December 31, 2011, of our total liabilities (using the face value of principal owed on convertible notes plus accrued interest), as currently structured approximately $4.15 million of Company indebtedness may be settled in shares of Company common stock for which we have reserved approximately 647 million shares. Were this to occur and all such debt to be settled in shares, as a result of the terms of certain convertible notes, a total of approximately 88 million new warrants would also be issuable. In calculating principal that is convertible for the purposes of this analysis, management has used the face value of the associated debt rather than the lower net present value that is shown on our balance sheet given that face value is the actual amount which actually could or actually will be converted. In addition, for the purposes of this analysis, management has also used conversion prices for debt as of May 15, 2012 rather than the December 31, 2011 used in the financial statements (as required by GAAP). Management believes the discussion using actual conversion prices that apply as of the filing date of this report are more relevant. (In Note 9 of the unaudited consolidated financial statements attached hereto using the December 31, 2011 conversion prices and discounted present value of debt, "Common Stock

Equivalents" is approximately 801 million of which approximately 456 million is for indebtedness.)

Including the foregoing management assumptions regarding amounts and conversion prices of debt, as well as all options, warrants and the conversion of Series A Preferred Shares but excluding financing needs, a total of 1,080 million shares are potentially issuable by the Company. Taken together with our current issued and outstanding common shares, our total authorized capital of 1,500,000,000 common shares is insufficient to allow all such issuances and the Company would be required to increase its authorized capital or effect a reverse stock split in order to do so.

The Company received cash proceeds of $500,000 from VGE investors, $825,000 in proceeds of Company convertible debentures and $92,000 from the sale of Company common shares and warrants to private investors.

As more fully described in Note 2 (Going Concern) to the unaudited consolidated financial statements included elsewhere herein, the Company will require additional working capital to support its activities. While management believes that these funds will be available through additional sales of shares, warrants and debt instruments, there can no assurance of this. These facts raise substantial doubt about the Company's ability to continue as a going concern

Plan of Operation

Over the next year we are focused on several key projects:

1. HIV/AIDS – completing IND-enabling studies and moving to file an Investigational New Drug (IND) application for clinical trials in the US;
2. Oncology – completion of the Texas clinical trial of our MDT compounds as adjuncts to existing cancer therapy in drug resistant cancer patients;
3. Lyme Disease – completing IND-enabling studies and moving to file an Investigational New Drug (IND) application for clinical trials in the US;
4. Preclinical Development of TPT and MDT compounds – additional development to finalize our Multiple Sclerosis; Staphylococcus, Streptococcus and Sepsis infection; preeclampsia; transplant rejection; Pediatric Autoimmune Neuropsychiatric Disorders ("PANDAS"); and HIV prevention compounds and preparing for or filing pre-IND letters for each of them;
5. Biofuel and agri-tech – conduct scalability studies demonstrating the viability of our MDT "lipid trigger" compounds in larger, industrial-scale algae oil production environments and testing applications in production of edible oils

For our HIV/AIDS and Lyme disease compounds, which are part of our TPT platform, we intend to focus on completing IND-enabling studies and proceed with a full IND. It is possible we will file the IND with the studies being a condition of proceeding to human trials. The IND-enabling studies are expected to require approximately 6-9 months to complete following initiation at a cost of approximately $400,000. If the HIV/AIDS IND was approved, the clinical trial we expect to conduct would be a Phase 1 study and require 9-12 months to conduct including preparation, recruitment of study centers, contracting service providers, enrollment of patients, treatment, follow

up, and statistical evaluation. We will determine the length and nature of the Lyme disease clinical trial following receipt of feedback from the FDA to our recent pre-IND submission. It is possible that the same or similar IND-enabling studies may be used to support both the Lyme and HIV/AIDS INDs due to the similarity of the underlying peptide.

Prior to moving ahead with the preclinical studies for both the HIV/AIDS and Lyme programs, we were required to source a long-term manufacturing relationship with a facility that can produce peptides in accordance with Good Laboratory Practices ("GLP") requirements and have exceeded that by attaining both GLP and, now, Good Manufacturing Practices ("GMP") standards for the peptides production.

Our oncology program is headlined by the physician-initiated Phase I clinical trial on late-stage ovarian cancer patients being carried out at the Cancer Therapy and Research Center at the University of Texas at San Antonio ("UTSA"), and Scott and White Hospital ("S&W") in Temple, Texas under primary investigator, Dr. Tyler Curiel. This study, funded in part by a grant of $1.5 million to the Scott and White Foundation, will require approximately 6 to 8 weeks of treatment and 12 months of follow up. A physician's IND ("P-IND") was recently submitted to the FDA for this study by Dr. Curiel. Although the FDA generally allows physicians leeway to conduct P-IND studies, the FDA has 30 days to refuse a P-IND study protocol following which enrollment of patients is possible. Once the 30 day window has passed without a refusal, the institutional review boards for both UTSA and S&W must review and approve the protocol prior to proceeding with enrollment. Assuming the study proceeds, patients will be recruited from both UTSA and S&W. We do not presently know when this clinical trial will commence enrollment of patients, although we are confident that it will be in 2012. The study would be carried out by physicians and scientists at the hospitals, with the close involvement of Dr. M. Karen Newell Rogers and a liaison employed by the Company to coordinate administration and communication. This study is focused on compounds that fall within the MDT platform.

If this study is successful, we intend to submit a pre-IND package to the FDA to solicit comments and guidance towards filing of a regular, sponsor IND. Should we proceed with a regular IND, it is not yet clear how the MDT compounds would be viewed by the FDA in terms of which Phase of clinical trial would be appropriate given that the compounds are already-approved drugs (for other diseases) or well-understood compounds with established safety profiles, and not novel compounds that have never before been tested in animals or humans. We will be able to utilize data from published studies as well as that on file with the FDA which we believe may substantially reduce the time and cost of development, should this program be successful.

When an IND for one of our TPT or MDT drug program is approved for Phase 1 or later trials, under our current Exclusive License Agreements we are generally obligated to make payments to the University of Colorado, however we expect the timing and amount of these payments to change as a result of ongoing reworking of those agreements.

Work in our other TPT programs (Multiple Sclerosis; Staphylococcus, Streptococcus and Sepsis infection; preeclampsia; transplant rejection; Pediatric Autoimmune Neuropsychiatric Disorders ("PANDAS"); and HIV prevention) is primarily focused on completion of biological activity studies and clinical trial protocol design. Our other programs are earlier stage in nature and we

expect several months more work to be required prior to moving them to the pre-IND stage. We have begun to recruit or have already recruited clinicians that are experts in these disease to assist us with transitioning these indications to from completed laboratory work to the clinical environment.

We believe that there are several commercialized and development-stage drugs now in existence that either materially rely on or would benefit from some our patents and know-how, including both TPT and MDT. Included in this are products that we believe may be directly violating or relying our proprietary rights. As a result, we are developing a strategy for pursuing these opportunities through licensing, partnership, or other actions.

Work on MDT applications in biofuel and agricultural applications is conducted by our VGE subsidiary. Over the last year we have entered into several short-term collaborative research programs with potential commercial partners for MDT rights or products whereby these third parties test MDT compounds in applications specific to the third party; e.g., production of high value oils used in nutraceuticals, or production of oil from algae refineable to biofuel using a specific strain of algae. We continue to engage in these types of research arrangements with potential partners, and intend to do over the coming year. We are also contracting with independent testing firms to evaluate the use of our MDT compounds in applications relating to the various potential markets including biofuel and agricultural. In these latter cases, we pay for third parties to test our products in conditions we select. At the present time, we have not entered into any binding agreement that has resulted in revenue for VGE, either through licensing or product sales; however, we have entered into agreements that upon certain conditions – positive testing results in particular – would result in revenue from licensing or product sales. There is no guarantee such testing would be successful and therefore that revenues are assured, but we continue to pursue this strategy.

All of our research, testing and marketing programs are contingent on continued availability of funding, for which we can provide no assurance or guarantees. We currently rely on private placements and support from long-time shareholders of the Company for ongoing funding, and have recently begun a focused strategy of targeting certain grants. We are also pursuing institutional investment. Including projects at both the Company itself and at our majority-owned VG Energy subsidiary, we will have to raise approximately $2,000,000 to $3,000,000 over the next year to achieve our goals of completing necessary preclinical studies for APi1177 prior to filing an IND with the FDA, completing the industrial scale demonstrations of VG Energy's biofuel technology, completing preclinical work for our other TPT compounds, and general corporate expenses. The investigator study clinical trial of our MDT compounds has been partly funded by an anonymous donor to Scott and White Foundation. If approved, the Phase 1 clinical trial for APi1177 in HIV/AIDS as currently designed would require an additional budget of approximately $2,000,000; a clinical trial budget for Lyme Disease has not yet been constructed as we are awaiting the FDA's pre-IND feedback, expected shortly. The HIV/AIDS and Lyme Disease clinical trials could not commence until later this year or early 2013, and so they more appropriately form part of our 2013 budget. We do not expect to hire any employees in the coming year but we do anticipate increasing our use of third party consultants and service providers, especially in the areas of preclinical testing. We intend to retain the services of an individual with both regulatory affairs and drug development experience to isolate additional drug candidates from our TPT and MDT

platforms using already-existing data, and prepare additional pre-IND packages for review by the FDA. We do not expect to purchase or sell any plant or equipment.

Off-Balance Sheet Arrangements

None

Risks Associated With Our Business

Notwithstanding our efforts to foresee and mitigate the effects of changes in our business and industry, we cannot predict with certainty all potential changes that might affect our business. Consequently, our business is subject to a number of risks, some of which are as follows.

We have a history of operating losses. We expect to incur net losses and we may never achieve or maintain profitability.
We have not been profitable since our inception. We reported net losses of approximately $7.7 million and $7.2 million for the years ended 2011 and 2010, respectively. As of December 31, 2011, we had an accumulated deficit of approximately $81 million. We have not generated any revenue from product sales or royalties from product sales to date, and it is possible that we will never have significant product sales revenue or royalty revenue. We expect to continue to incur losses for at least the next several years as we and collaborators pursue clinical trials and research and development efforts. To become profitable, we, either alone or with our collaborators, must successfully develop, manufacture, and market our current product candidates, particularly APi1177 or our biofuel technology as well as continue to identify, develop, manufacture, and market new product candidates. It is possible that we will never have significant product sales revenue or receive significant royalties on our licensed product candidates.

We will need additional financing, but our access to capital funding is uncertain.
Our current and anticipated operations, particularly our product development and commercialization programs, require substantial capital which we have not yet obtained in lump sum. We are continually seeking funding for our ongoing operations, and we have funded operations through series of small private placements and support from some shareholders. Until we are able to secure long-term financial support or financing in sufficiently large quantity to fund operations for at least 18-24 months, our ability to operate is uncertain and a significant portion of management time is devoted to fund-raising. However, these and future capital needs will depend on many factors, including the extent to which we enter into collaboration agreements with respect to any of our proprietary product candidates and make progress in our internally funded research, development and commercialization activities. Our capital requirements will also depend on the magnitude and scope of these activities, our ability to maintain existing and establish new collaborations, the terms of those collaborations, the success of our collaborators in the future to develop and market products under their respective collaborations with us, our success in producing clinical and commercial supplies of our product candidates on a timely basis and in sufficient quantities to meet our requirements, competing technological and market developments, the time and cost of obtaining regulatory approvals, the extent to which we choose to commercialize our future products through our own sales and marketing capabilities, and the cost of preparing, filing,

prosecuting, maintaining and enforcing patent and other rights. We do not have committed external sources of funding, and we cannot assure you that we will be able to obtain additional funds on acceptable terms, if at all. If adequate funds are not available, we may be required to:

1. Engage in equity financings that would be dilutive to current stockholders;
2. Delay, reduce the scope of, or eliminate one or more of our development programs;
3. Obtain funds through arrangements with collaborators or others that may require us to relinquish rights to technologies, product candidates or products that we would otherwise seek to develop or commercialize ourselves; or
4. License rights to technologies, product candidates, or products on terms that are less favorable to us than might otherwise be available.

If funding is insufficient at any time in the future, we may not be able to develop or commercialize our products, take advantage of business opportunities or respond to competitive pressures.

Our current authorized capital is insufficient to allow the issuance of all shares that could be issued under existing options, warrants, convertible debts, other indebtedness, and convertible preferred shares, and expected future financing requirements. If we issue additional shares of common stock in the future, which we expect to do, it will result in the dilution of our existing stockholders.

Our articles of incorporation authorize the issuance of 1,500,000,000 shares of common stock and 250,000,000 shares of preferred stock. Our board of directors has the authority to issue additional shares stock up to the authorized capital. Our board of directors may choose to and likely will issue some or all of such shares of stock to acquire one or more businesses, to provide additional financing in the future, to compensate for services, to settle debt, or for other purposes. The issuance of any such shares of stock will result in a reduction of the per share book value or market price of the outstanding shares of our common stock, on a fully-diluted basis. If we do issue any such additional shares of common stock, such issuance also will cause a reduction in the proportionate ownership and voting power of all other stockholders. Further, any such issuance may result in a change of control of our corporation. As of December 31, 2011, we do not have sufficient authorized common share capital to issue all shares that are issuable in connection with outstanding options, warrants, convertible debts, other indebtedness and convertible preferred shares, or to meet future financing requirements. In order to allow such issuance the Company will be required to increase its authorized common share capital or effect a reverse stock split.

We have certain obligations and performance requirements in order to maintain ownership of patent rights materially underlying our business and products, and for options to additional such rights that we treat as confidential that could affect results of operations.

Under our two Exclusive License Agreements we obtained certain rights to patents, patent applications, future improvements, new inventions, and fields of use. These rights have certain performance obligations including financial requirements that we are required to maintain in order to keep our rights within certain periods of time. Following commercialization of any products deriving from the forgoing rights we have additional obligations and performance requirements including payments of royalties and lump-sum “milestone” payments. For competitive reasons we treat the majority of the details of all of this information as confidential. If we do not meet these

obligations we could lose our rights. This would prevent us from pursuing continued development of products based on these rights.

We have not developed any commercial drugs, and we may never develop any commercial drugs or products that generate revenues.
Our existing product candidates will require significant additional development, clinical trials, regulatory clearances and additional investment before they can be commercialized. Our product development efforts may not lead to commercial drugs or marketable products for the biofuel industry for a number of reasons, including the failure of our drug candidates to be safe and effective in clinical trials, the failure our of our biofuel compounds in production environments larger than laboratory-scale, because we have inadequate financial or other resources to pursue development programs through the clinical trial or validation process. We do not expect to be able to market any products for at least a year or longer, if at all.

We are substantially dependent on our ability to successfully and timely complete clinical trials and obtain regulatory approval to market our most advanced product candidate, VGV-X. Our business will be materially harmed and our stock price adversely affected if regulatory approval is not obtained with respect to this product candidate.
We hope to file an IND with the FDA for VGV-X (the injectable form of APi1177). We are conducting laboratory testing and research to support the filing of the IND. Our success will depend, to a great degree, on our ability to obtain the requisite regulatory approval to market VGV-X overseas and in the United States. The process of obtaining regulatory approvals is costly, time consuming, uncertain, and subject to unanticipated delays. In order to obtain the necessary regulatory approval, we must demonstrate with substantial evidence from well-controlled clinical trials and to the satisfaction of the applicable regulatory reviewing agency that VGV-X is both safe and efficacious. There is no assurance that we will be able to do so and, if we do, that the applicable regulatory requirements for approval will have been met. We cannot predict the ability of third party service providers to collect the data from our trials with VGV-X, analyze the data, and deliver their final reports to us. There may be significant delays in this process. Regulatory authorities may require additional testing for safety and efficacy, which would result in a substantial delay in the regulatory approval process. If we fail to successfully obtain regulatory approvals for VGV-X or we face significant delays, our business will be materially harmed and our stock price will be adversely affected.

We are substantially dependent on our ability to demonstrate the commercial viability of our biofuel technology. Our business will be materially harmed and our stock price adversely affected if we are unable to do so. In order for us to be able to market, attract funding, secure a distributor, or obtain licensing revenue from the biofuel technology being developed by our majority-owned subsidiary, VG Energy, we must demonstrate and reproduce the ability of MDT compounds to increase the quantity of lipid production while maintaining adequate lipid quality in industrial scale production environments. To date, we and others have only completed studies of these compounds in small-scale, laboratory environments. We cannot predict the outcome of the studies in larger environments and it is possible that the compounds do not perform as well or at all in such environments. If we fail to demonstrate the ability of the compounds to work in these larger environments, it is likely that we will be delayed or not able to secure any revenue or attain

commercialization of the compounds. This would materially harm our business and our stock price would be adversely affected.

We depend on various suppliers to supply APi1177, our MDT compounds, and our other products. We believe these suppliers can produce sufficient material to support ongoing study of VGV-X (the injectable form of APi1177), our MDT cancer study, and our MDT biofuel viability studies. If approved and/or successful in these studies, we will have to source a manufacturer with significantly larger capacity. With regard to our drug programs and in particular the TPT programs, prior to initiation of the studies it is also required that we secure a manufacturer that will be able to meet production requirements meeting "Good Manufacturing Practices" ("GMP") and "Good Laboratory Practices" ("GLP") throughout the development process and possibly through marketing and distribution. Changing manufacturers of a drug product can involve significant regulatory delay while comparability between product made at the old manufacturer and product made at the new manufacturer. Consequently, while changing manufacturers is possible, it is highly desirable to avoid doing so. There is no guarantee that we will be able to find a manufacturer that can meet our production and distribution requirements throughout the life of our drug products. If we are required to change manufacturers, there will likely be significant delays in our ability to study or, if approved, sell our drug products, which would materially harm our business and adversely affect our stock price. With regard to our MDT compounds, which are used in combination with other existing drugs including drugs that are approved or have been deregistered by the FDA, the availability of such third-party drugs cannot be guaranteed on terms that are reasonable or at all. Disruption of the supply of these third part compounds would delay or impair our ability to study our compounds in combination with them, and would have a materially harmful effect on our business and adversely affect our stock price. With regard to our biofuel products, unless we obtain or develop our own manufacturing capacity which we presently do not anticipate, it is likely that we or potential future partners will be dependent on third party suppliers to sell us or manufacture for us MDT compounds. Disruption of the supply of these compounds, which we cannot provide any assurance of, would have a materially harmful effect on our business and adversely affect our stock price.

Clinical trials are long, expensive and uncertain processes and overseas regulators and the FDA may ultimately not approve any of our product candidates.
We cannot assure you that data collected from preclinical studies and clinical trials of our product candidates will be sufficient to support approval by overseas regulators or the FDA, the failure of which could delay our profitability and adversely affect our stock price.

All of our research and development programs are at an early stage.
Clinical trials are long, expensive, and uncertain processes. Clinical trials may not be commenced or completed on schedule, and government regulators may not ultimately approve our product candidates for commercial sale. Further, even if the results of our preclinical studies or clinical trials are initially positive, it is possible that we will obtain different results in the later stages of drug development or that results seen in clinical trials will not continue with longer-term treatment. Drugs in late stages of clinical development may fail to show the desired safety and efficacy traits despite having progressed through initial clinical testing. For example, positive results in early Phase 1 or Phase 2 clinical trials may not be repeated in larger Phase 2 or Phase 3 clinical trials. All of our potential drug candidates are prone to the risks of failure inherent in drug development. The

clinical trials of any of our drug candidates, including VGV-X, could be unsuccessful, which would prevent us from commercializing the drug. Our failure to develop safe, commercially viable drugs would substantially impair our ability to generate revenues and sustain our operations and would materially harm our business and adversely affect our stock price.

If we fail to maintain our existing or establish new collaborative relationships, or if our collaborators do not devote adequate resources to the development and commercialization of our licensed drug candidates, we may have to reduce our rate of product development and may not see products brought to market or be able to achieve profitability.

Our primary strategy for distributing our products would be to enter into various relationships with other firms or companies overseas with the resources to pursue the process of obtaining later-stage regulatory approvals and implement marketing and distribution. We have not settled on any strategy for distribution in the US and do not expect to formulate a strategy until an IND is approved and/or clinical trials in the US have progressed. It is likely we will grant exclusive commercialization and marketing rights to our products to third parties, and such parties will have substantial control over the continued efforts in their territories and the resources they commit to the programs. Accordingly, the success of the commercialization of our products in some or all territories may substantially depend on the efforts of third parties and is to a degree beyond our control. For us to receive any significant revenues from sale of our products, any such collaborators must advance drugs through clinical trials, establish the safety and efficacy of our drug candidates, obtain regulatory approvals and achieve market acceptance of those products. As a result, if a collaborator elects to terminate its efforts, our ability to commercialize our products in the collaborator's territory may be significantly impaired.

Because of the uncertainty of pharmaceutical pricing, reimbursement, and healthcare reform measures, we may be unable to sell our products profitably.

The availability of reimbursement by governmental and other third-party payors affects the market for any pharmaceutical product. These third-party payors continually attempt to contain or reduce the costs of healthcare. There have been a number of legislative and regulatory proposals to change the healthcare system and further proposals are likely. Significant uncertainty exists with respect to the reimbursement status of newly approved healthcare products. In addition, third-party payors are increasingly challenging the price and cost-effectiveness of medical products and services. We might not be able to sell our products profitably or recoup the value of our investment in product development if reimbursement is unavailable or limited in scope.

As a result of intense competition and technological change in the pharmaceutical industry, the marketplace may not accept our products, and we may not be able to complete successfully against other companies in our industry and achieve profitability.

Many of our competitors have drug products that have already been approved or are in development, and operate large, well-funded research and development programs in these fields. Many of our competitors have substantially greater financial and management resources, superior intellectual property positions and greater manufacturing, marketing and sales capabilities, areas in which we have limited or no experience. In addition, many of our competitors have significantly

greater experience than we do in undertaking preclinical testing and clinical trials of new or improved pharmaceutical products and obtaining required regulatory approvals. Consequently, our competitors may obtain FDA and other regulatory approvals for product candidates sooner and may be more successful in manufacturing and marketing their products than we or our collaborators. Existing and future products, therapies and technological approaches will compete directly with the products we seek to develop. Current and prospective competing products may provide greater therapeutic benefits for a specific problem, may offer easier delivery or may offer comparable performance at a lower cost. Any product candidate that we develop and that obtains regulatory approval must then compete for market acceptance and market share. Our product candidates may not gain market acceptance among physicians, patients, healthcare payors and the medical community. Further, any products we develop may become obsolete before we recover any expenses we incurred in connection with the development of these products. As a result, we may never achieve profitability.

We may be unable to obtain patents to protect our technologies from other companies with competitive products, and patents of other companies could prevent us from manufacturing, developing or marketing our products.

The patent positions of pharmaceutical and biotechnology firms are uncertain and involve complex legal and factual questions. The U.S. Patent and Trademark Office has not established a consistent policy regarding the breadth of claims that it will allow in biotechnology patents. If it allows broad claims, the number and cost of patent interference proceedings in the U.S. and the risk of infringement litigation may increase. If it allows narrow claims, the risk of infringement may decrease, but the value of our rights under our patents, licenses and patent applications may also decrease. In addition, the scope of the claims in a patent application can be significantly modified during prosecution before the patent is issued. Consequently, we cannot know whether our pending applications will result in the issuance of patents or, if any patents are issued, whether they will provide us with significant proprietary protection or will be circumvented, invalidated, or found to be unenforceable. Until recently, patent applications in the United States were maintained in secrecy until the patents issued, and publication of discoveries in scientific or patent literature often lags behind actual discoveries. Patent applications filed in the United States after November 2000 generally will be published 18 months after the filing date unless the applicant certifies that the invention will not be the subject of a foreign patent application. We cannot assure you that, even if published, we will be aware of all such literature. Accordingly, we cannot be certain that the named inventors of our products and processes were the first to invent that product or process or that we were the first to pursue patent coverage for our inventions.

Our commercial success depends in part on our ability to maintain and enforce our proprietary rights.

If third parties engage in activities that infringe our proprietary rights, our management's focus will be diverted and we may incur significant costs in asserting our rights. We may not be successful in asserting our proprietary rights, which could result in our patents being held invalid or a court holding that the third party is not infringing, either of which would harm our competitive position. In addition, we cannot assure you that others will not design around our patented technology.

Moreover, we may have to participate in interference proceedings declared by the United States Patent and Trademark Office or other analogous proceedings in other parts of the world to

determine priority of invention and the validity of patent rights granted or applied for, which could result in substantial cost and delay, even if the eventual outcome is favorable to us. We cannot assure you that our pending patent applications, if issued, would be held valid or enforceable. Additionally, many of our foreign patent applications have been published as part of the patent prosecution process in such countries. Protection of the rights revealed in published patent applications can be complex, costly and uncertain.

We also rely on trade secrets, know-how and confidentially provisions in our agreements with our collaborators, employees and consultants to protect our intellectual property. However, these and other parties may not comply with the terms of their agreements with us, and we might be unable to adequately enforce our rights against these people or obtain adequate compensation for the damages caused by their unauthorized disclosure or use. Our trade secrets or those of our collaborators may become known or may be independently discovered by others.
Our products and product candidates may infringe the intellectual property rights of others, which could increase our costs and negatively affect our profitability.

Our success also depends on avoiding infringement of the proprietary technologies of others. In particular, there may be certain issued patents and patent applications claiming subject matter that we or our collaborators may be required to license in order to research, develop or commercialize our product candidates. In addition, third parties may assert infringement or other intellectual property claims against us based on our patents or other intellectual property rights. An adverse outcome in these proceedings could subject us to significant liabilities to third parties, require disputed rights to be licensed from third parties or require us to cease or modify our use of the technology. If we are required to license such technology, we cannot assure you that a license under such patents and patent applications will be available on acceptable terms or at all. Further, we may incur substantial costs defending ourselves in lawsuits against charges of patent infringement or other unlawful use of another's proprietary technology.

We are subject to extensive government regulations that may cause us to cancel or delay the introduction of our products to market.
Our research and development activities and the clinical investigation, manufacture, distribution and marketing of drug products are subject to extensive regulation by governmental authorities in the United States and other countries. Prior to marketing in the United States, a drug must undergo rigorous testing and an extensive regulatory approval process implemented by the FDA under federal law, including the Federal Food, Drug and Cosmetic Act. To receive approval, we or our collaborators must, among other things, demonstrate with substantial evidence from well-controlled clinical trials that the product is both safe and effective for each indication where approval is sought. Depending upon the type, complexity and novelty of the product and the nature of the disease or disorder to be treated, that approval process can take several years and require substantial expenditures. Data obtained from testing are susceptible to varying interpretations that could delay, limit or prevent regulatory approvals of our products. Drug testing is subject to complex FDA rules and regulations, including the requirement to conduct human testing on a large number of test subjects. We, our collaborators, or the FDA may suspend human trials at any time if a party believes that the test subjects are exposed to unacceptable health risks. We cannot assure you that any of our product candidates will be safe for human use. Other countries also have extensive requirements regarding clinical trials, market authorization and pricing. These regulatory schemes

vary widely from country to country, but, in general, are subject to all of the risks associated with United States approvals.

If any of our products receive regulatory approval, the approval will be limited to those disease states and conditions for which the product is safe and effective, as demonstrated through clinical trials.

In addition, results of pre-clinical studies and clinical trials with respect to our products could subject us to adverse product labeling requirements that could harm the sale of such products. Even if regulatory approval is obtained, later discovery of previously unknown problems may result in restrictions of the product, including withdrawal of the product from the market. Further, governmental approval may subject us to ongoing requirements for post-marketing studies. Even if we obtain governmental approval, a marketed product, its respective manufacturer and its manufacturing facilities are subject to unannounced inspections by the FDA and must comply with the FDA's cGMP and other regulations. These regulations govern all areas of production, record keeping, personnel and quality control. If a manufacturer fails to comply with any of the manufacturing regulations, it may be subject to, among other things, product seizures, recalls, fines, injunctions, suspensions or revocations of marketing licenses, operating restrictions and criminal prosecution. Other countries also impose similar manufacturing requirements.

If product liability claims are brought against us or we are unable to obtain or maintain product liability insurance, we may incur substantial liabilities that could reduce our financial resources.

The clinical testing and commercial use of pharmaceutical products involves significant exposure to product liability claims. We have in the past obtained limited product liability insurance coverage for some of our clinical trials on humans, however, our insurance coverage may be insufficient to protect us against all product liability damages. Further, liability insurance coverage is becoming increasingly expensive and we might not be able to obtain or maintain product liability insurance in the future on acceptable terms or in sufficient amounts to protect us against product liability damages. Regardless of merit or eventual outcome, liability claims may result in decreased demand for a future product, injury to reputation, withdrawal of clinical trial volunteers, loss of revenue, costs of litigation, distraction of management and substantial monetary awards to plaintiffs. Additionally, if we are required to pay a product liability claim, we may not have sufficient financial resources to complete development or commercialization of any of our product candidates and our business and results of operations will be adversely affected.

Trading on the Pink Sheets over-the-counter market may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

There is currently a limited market for our common stock. Our common stock is quoted on the Pink Sheets over-the-counter market. Trading in stock quoted on the Pink Sheets over-the-counter market is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the Pink Sheets over-the-counter market is not a stock exchange, and trading of securities there is often more sporadic than the trading of securities listed on a quotation system like Nasdaq or a

stock exchange like Amex. There is no assurance that a sufficient market will develop or remain stable in the stock, in which case it could be difficult for our stockholders to resell their stock.

Our stock is a penny stock. Trading of our stock may be restricted by the Securities and Exchange Commission's penny stock regulations that may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

The Financial Industry Regulatory Authority sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, the Financial Industry Regulatory Authority or FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for shares of our common stock.

Part E Issuance History

Shareholder	Nature of Offering	Jurisdictions Where Registered or Qualified	Number of Shares Offered and Number of Shares Sold (same)	Price Shares Offered and Price Paid to Issuer	Trading Status of Shares at Time of Issuance	Certificates Legend
Anthony Freda, Jr.	(4)	none	250,000	$ 0.010	restricted	yes
Synexa Life Sciences (Pty) Ltd.	(5) (7)	none	5,638,129	$ 0.053	free trading	no
Robert Siegel	(4)	none	833,333	$ 0.030	restricted	yes
Double U Master Fund LP	(1)	none	311,685	$ 0.020	free trading	no
Double U Master Fund LP	(1)	none	61,763	$ 0.020	free trading	no
Michael Capizzano	(5)	none	156,555	$ 0.013	free trading	no
Yap Kah Chong	(4) (7)	none	300,000	$ 0.020	restricted	yes
Chin Chia Seet	(4) (7)	none	25,000	$ 0.020	restricted	yes
Yap Soon Hoo	(4) (7)	none	60,000	$ 0.020	restricted	yes
Chee That Fun	(4) (7)	none	50,000	$ 0.020	restricted	yes
Tan Chui Eng	(4) (7)	none	50,000	$ 0.020	restricted	yes
Foo Oi Chin & Jenny Oi Chin	(4) (7)	none	50,000	$ 0.020	restricted	yes
Tang Ching Kiat	(4) (7)	none	50,000	$ 0.020	restricted	yes
Mu Kui Tshin	(4) (7)	none	50,000	$ 0.020	restricted	yes
Yap Soon Hoo	(4) (7)	none	120,000	$ 0.020	restricted	yes
Chin Chew Meng	(4) (7)	none	100,000	$ 0.020	restricted	yes
Ong Chong Sin	(4) (7)	none	100,000	$ 0.020	restricted	yes
Lim Kin Nam	(4) (7)	none	100,000	$ 0.020	restricted	yes
Chen Mian Fung	(4) (7)	none	50,000	$ 0.020	restricted	yes
Chu Chin Yee & Yvonne Chu Chin Yee	(4) (7)	none	30,000	$ 0.020	restricted	yes
Lee Chen Tzin	(4) (7)	none	50,000	$ 0.020	restricted	yes
Nyam Siau Ket	(4) (7)	none	50,000	$ 0.020	restricted	yes
Soong Oi Tsu & Soon Oi Tsu	(4) (7)	none	120,000	$ 0.020	restricted	yes
Nga Yuh Hwan	(4) (7)	none	30,000	$ 0.020	restricted	yes
Nga Gek Ee & Florence Nga	(4) (7)	none	50,000	$ 0.020	restricted	yes
Liew Horng Yih	(4) (7)	none	50,000	$ 0.020	restricted	yes
Lai Li Min	(4) (7)	none	20,000	$ 0.020	restricted	yes
Liew Kim Chieu	(4) (7)	none	150,000	$ 0.020	restricted	yes
Tham Chui Mee	(4) (7)	none	50,000	$ 0.020	restricted	yes
Thiam Sui Mee & Monica Tham	(4) (7)	none	80,000	$ 0.020	restricted	yes
Yong Tau Yun	(4) (7)	none	50,000	$ 0.020	restricted	yes
Lee Shenn Perng	(4) (7)	none	50,000	$ 0.020	restricted	yes
Lee Ngak Yeo	(4) (7)	none	80,000	$ 0.020	restricted	yes
Kiw Pah Huat	(4) (7)	none	180,000	$ 0.020	restricted	yes
Lee Shin Kong	(4) (7)	none	50,000	$ 0.020	restricted	yes
Lee Sin Khiong	(4) (7)	none	100,000	$ 0.020	restricted	yes
Pauline Wong Pau Ling	(4) (7)	none	180,000	$ 0.020	restricted	yes
Lee Lai Khyun	(4) (7)	none	150,000	$ 0.020	restricted	yes
Koh Kean & Winnie Kean	(4) (7)	none	50,000	$ 0.020	restricted	yes
Soh Tze Jia & Grace Soh	(4) (7)	none	50,000	$ 0.020	restricted	yes
Chong Po Ling & Chong Po Leng	(4) (7)	none	150,000	$ 0.020	restricted	yes
Chew Sew Moy	(4) (7)	none	50,000	$ 0.020	restricted	yes

Lim Siew Kiok	(4) (7)	none	180,000	$	0.020	restricted	yes
Lim Then Choi	(4) (7)	none	50,000	$	0.020	restricted	yes
Lim Siew Yen	(4) (7)	none	50,000	$	0.020	restricted	yes
Lee Chun Hsien	(4) (7)	none	50,000	$	0.020	restricted	yes
Ng Tien Nyuk	(4) (7)	none	50,000	$	0.020	restricted	yes
Chin Foo Wing	(4) (7)	none	30,000	$	0.020	restricted	yes
Wong Sau Ling	(4) (7)	none	10,000	$	0.020	restricted	yes
Ngui Lei Sim	(4) (7)	none	10,000	$	0.020	restricted	yes
Kong Shian Onn	(4) (7)	none	200,000	$	0.020	restricted	yes
Wong Foo	(4) (7)	none	100,000	$	0.020	restricted	yes
Chang Pau Chiang	(4) (7)	none	100,000	$	0.020	restricted	yes
Kong Shian Onn	(4) (7)	none	100,000	$	0.020	restricted	yes
Kong Shian Onn	(4) (7)	none	300,000	$	0.020	restricted	yes
Kong Shian Onn	(4) (7)	none	3,500,000	$	0.020	restricted	yes
Tay Hoon Ngoh	(4) (7)	none	30,000	$	0.020	restricted	yes
Ng Tuck Chyuan	(4) (7)	none	10,000	$	0.020	restricted	yes
Tan Aun Liang	(4) (7)	none	30,000	$	0.020	restricted	yes
Khoo Yoke Chen	(4) (7)	none	30,000	$	0.020	restricted	yes
Khoo Yoke Ngoh	(4) (7)	none	10,000	$	0.020	restricted	yes
Leong Korn Yik	(4) (7)	none	30,000	$	0.020	restricted	yes
Chow Choy Luen	(4) (7)	none	20,000	$	0.020	restricted	yes
Lee Lay Pheng	(4) (7)	none	30,000	$	0.020	restricted	yes
Chandran a/l Krishnan Kutty	(4) (7)	none	20,000	$	0.020	restricted	yes
Lau Kok Kuang & Lau Hai Yuen	(4) (7)	none	20,000	$	0.020	restricted	yes
Lau Hai Yuen	(4) (7)	none	10,000	$	0.020	restricted	yes
Sek Sin Yu, Sak Sin Yu & Lee Vun Linn	(4) (7)	none	20,000	$	0.020	restricted	yes
Yee Wai Chow & Yee Tuck Loong	(4) (7)	none	30,000	$	0.020	restricted	yes
Mah Foong Men & Chan Teck Yeen	(4) (7)	none	20,000	$	0.020	restricted	yes
Ng Sau Koon & Mah Foong Men	(4) (7)	none	30,000	$	0.020	restricted	yes
Kok Miaw Jin	(4) (7)	none	150,000	$	0.020	restricted	yes
Kok Miaw Jin	(4) (7)	none	150,000	$	0.020	restricted	yes
Yeo Siang Tia	(4) (7)	none	150,000	$	0.020	restricted	yes
Yeo Khee Hion	(4) (7)	none	150,000	$	0.020	restricted	yes
Chin Gee Hiung	(4) (7)	none	150,000	$	0.020	restricted	yes
Tan Sa Moi & Tan Mui Siang	(4) (7)	none	150,000	$	0.020	restricted	yes
Lai Chung Thai	(4) (7)	none	150,000	$	0.020	restricted	yes
Tan Chwee Ying	(4) (7)	none	300,000	$	0.020	restricted	yes
Bong Bui Sen	(4) (7)	none	150,000	$	0.020	restricted	yes
Chew Teik Meng	(4) (7)	none	300,000	$	0.020	restricted	yes
Wong Toh Tung	(4) (7)	none	150,000	$	0.020	restricted	yes
Tan Poi Hui	(4) (7)	none	150,000	$	0.020	restricted	yes
Tham Siew Jin	(4) (7)	none	150,000	$	0.020	restricted	yes
Lai King Yung	(4) (7)	none	150,000	$	0.020	restricted	yes
Lim Sai Ngo	(4) (7)	none	150,000	$	0.020	restricted	yes
Gan Soon Fee	(4) (7)	none	150,000	$	0.020	restricted	yes
Sim Chiok Boi	(4) (7)	none	150,000	$	0.020	restricted	yes
Sim Nyuk Kim	(4) (7)	none	150,000	$	0.020	restricted	yes
Kho Siew Hui	(4) (7)	none	150,000	$	0.020	restricted	yes
Kong Le Shiong	(4) (7)	none	150,000	$	0.020	restricted	yes
Sim Ooi Tong	(4) (7)	none	180,000	$	0.020	restricted	yes

Kong Shian Onn	(4) (7)	none	300,000	$	0.020	restricted	yes
Bong Siew Jin	(4) (7)	none	360,000	$	0.020	restricted	yes
Kong Shian Onn	(4) (7)	none	100,000	$	0.020	restricted	yes
Kong Shian Onn	(4) (7)	none	100,000	$	0.020	restricted	yes
Leong Wee Fen & Lee Chuel Moi	(4) (7)	none	27,778	$	0.020	restricted	yes
Chin Yin Ling	(4) (7)	none	27,778	$	0.020	restricted	yes
Chin Kim Lan	(4) (7)	none	16,667	$	0.020	restricted	yes
Chong Yee Fung	(4) (7)	none	13,889	$	0.020	restricted	yes
Chong Yee Xing	(4) (7)	none	13,889	$	0.020	restricted	yes
Kong Shian Onn	(4) (7)	none	600,000	$	0.020	restricted	yes
Kong Shian Onn	(4) (7)	none	600,000	$	0.020	restricted	yes
Ong Sheue Li	(4) (7)	none	10,000	$	0.020	restricted	yes
Lim Choon Liang	(4) (7)	none	10,000	$	0.020	restricted	yes
Lorna Lau Ai Hung	(4) (7)	none	83,333	$	0.020	restricted	yes
Jagjit Singh A/L G.S. Sambhi	(4) (7)	none	100,000	$	0.020	restricted	yes
Lee Sheng Chow	(4) (7)	none	100,000	$	0.020	restricted	yes
Neil Nilson Felix	(4) (7)	none	50,000	$	0.020	restricted	yes
Lim Ah Fah	(4) (7)	none	69,444	$	0.020	restricted	yes
Choy Cheng Choong	(4) (7)	none	69,444	$	0.020	restricted	yes
Yoong Yan Pin	(4) (7)	none	366,834	$	0.020	restricted	yes
Ho Pik King	(4) (7)	none	470,956	$	0.020	restricted	yes
Suresh a/l R. Narayanan Kutty	(4) (7)	none	25,000	$	0.020	restricted	yes
Eh Suk A/L Cha Bong	(4) (7)	none	138,889	$	0.020	restricted	yes
Lee Siew Heng	(4) (7)	none	231,481	$	0.020	restricted	yes
Lim Ah Fah	(4) (7)	none	46,296	$	0.020	restricted	yes
Kong Kuok Ping.	(4) (7)	none	150,000	$	0.020	restricted	yes
Lee Sheng Chow	(4) (7)	none	140,000	$	0.020	restricted	yes
Kong Chui Ying	(4) (7)	none	120,000	$	0.020	restricted	yes
John Bong Mian Min	(4) (7)	none	335,000	$	0.020	restricted	yes
Ng Joon Shin	(4) (7)	none	150,000	$	0.020	restricted	yes
Chin Gee Hiung	(4) (7)	none	150,000	$	0.020	restricted	yes
Jong Choo Jin	(4) (7)	none	150,000	$	0.020	restricted	yes
Jong Teck Jan	(4) (7)	none	150,000	$	0.020	restricted	yes
Bong Sing Chiat	(4) (7)	none	150,000	$	0.020	restricted	yes
Teo Lee Cheng	(4) (7)	none	225,000	$	0.020	restricted	yes
Tay Hoon Ngoh	(4) (7)	none	15,000	$	0.020	restricted	yes
Chin Siaw Mee	(4) (7)	none	30,000	$	0.020	restricted	yes
Choo Sun Choy	(4) (7)	none	22,500	$	0.020	restricted	yes
Yee Chee Meng	(4) (7)	none	30,000	$	0.020	restricted	yes
Melvin Phua Twang Kim	(4) (7)	none	30,000	$	0.020	restricted	yes
Tan Kok	(4) (7)	none	60,000	$	0.020	restricted	yes
Lai Ah Ching	(4) (7)	none	30,000	$	0.020	restricted	yes
Teo Jackie	(4) (7)	none	30,000	$	0.020	restricted	yes
Gerald Lian Boon Hin	(4) (7)	none	30,000	$	0.020	restricted	yes
Choo Chee Wee	(4) (7)	none	98,181	$	0.020	restricted	yes
Choo Chee Tien	(4) (7)	none	60,000	$	0.020	restricted	yes
Choo Sun Choy	(4) (7)	none	30,000	$	0.020	restricted	yes
Esther Phuak Teng Wei	(4) (7)	none	6,000	$	0.020	restricted	yes
Yap Soon Hoo	(4) (7)	none	50,000	$	0.020	restricted	yes
Kiw Pah Chung	(4) (7)	none	120,000	$	0.020	restricted	yes

Gan Eh Peh	(4) (7)	none	60,000	$	0.020	restricted	yes
Kiw Pah Huat	(4) (7)	none	30,000	$	0.020	restricted	yes
Pauline Wong Pau Ling	(4) (7)	none	30,000	$	0.020	restricted	yes
Teo Pao Chen	(4) (7)	none	60,000	$	0.020	restricted	yes
Lim Siew Kiok	(4) (7)	none	30,000	$	0.020	restricted	yes
Yeo Yee Meng	(4) (7)	none	70,000	$	0.020	restricted	yes
Lee Fui Moi	(4) (7)	none	90,000	$	0.020	restricted	yes
Ling Chuo Ting	(4) (7)	none	30,000	$	0.020	restricted	yes
Ling Chuo King	(4) (7)	none	16,000	$	0.020	restricted	yes
Koh Sung Kah	(4) (7)	none	48,000	$	0.020	restricted	yes
Chin Shui Mei	(4) (7)	none	20,000	$	0.020	restricted	yes
Ngo Chai Lian	(4) (7)	none	30,000	$	0.020	restricted	yes
Choo Chee Tien	(4) (7)	none	10,000	$	0.020	restricted	yes
Sim Ooi Tong	(4) (7)	none	90,000	$	0.020	restricted	yes
Kho Choon Seng	(4) (7)	none	120,000	$	0.020	restricted	yes
Choo Sun Choy	(4) (7)	none	60,000	$	0.020	restricted	yes
Ng Sau Koon & Mah Foong Men	(4) (7)	none	26,000	$	0.020	restricted	yes
Tham Chui Mee	(4) (7)	none	62,000	$	0.020	restricted	yes
Wonderland Capital Corp.	(6)	NY	1,200,000	$	0.020	free trading	no
Wonderland Capital Corp.	(6)	NY	1,700,000	$	0.020	free trading	no
Wonderland Capital Corp.	(6)	NY	3,150,000	$	0.020	free trading	no
Kurt Abele	(4)	none	1,100,000	$	0.030	restricted	yes
Institutional Analyst Holdings Inc.	(3)	none	1,000,000	$	0.020	restricted	yes
George Tsunis	(4)	none	666,667	$	0.020	restricted	yes
Bernard J Clinton	(4)	none	250,000	$	0.020	restricted	yes
Michael Capizzano	(3) (5)	none	2,252,252	$	0.044	free trading	no
Lucien Wolff	(4)	none	1,500,000	$	0.020	restricted	yes
Gerard H. Hendel	(4)	none	700,000	$	0.030	restricted	yes
Robert D. Devitt	(4)	none	700,000	$	0.030	restricted	yes
Soh Teck Toh	(4) (7)	none	50,000	$	0.020	restricted	yes
Double U Master Fund LP	(1)	none	301,466	$	0.020	free trading	no
Double U Master Fund LP	(1)	none	59,738	$	0.020	free trading	no
Poskanzer and Associates LLC	(3)	none	233,333	$	0.020	restricted	yes
Tod Thoring	(4)	none	333,333	$	0.030	restricted	yes
Monica Ord	(3)	none	1,100,000	$	0.036	restricted	yes
Wonderland Capital Corp.	(6)	NY	5,950,000	$	0.020	free trading	no
Luc Montagnier	(3) (7)	none	800,000	$	0.020	restricted	yes
Leslie Benet	(3)	none	700,000	$	0.020	restricted	yes
JTL Enterprises Corp.	(3)	none	1,600,000	$	0.020	restricted	yes
DMBM Inc.	(3) (5)	none	2,005,048	$	0.020	free trading	no
Michael Capizzano	(5)	none	232,773	$	0.013	free trading	no
George Tsunis	(4)	none	333,333	$	0.020	restricted	yes
Provident Holdings Group LLC	(5)	none	1,071,428	$	0.035	free trading	no
Mitchell Klafter	(4)	none	1,100,000	$	0.030	restricted	yes
Mitchell Klafter	(4)	none	2,000,000	$	0.020	restricted	yes
Andrew Latos	(4)	none	1,500,000	$	0.020	restricted	yes
Andrew Latos	(4)	none	666,667	$	0.030	restricted	yes
Anthony Freda, Jr. and Anthony Freda 3rd	(4)	none	500,000	$	0.030	restricted	yes
DMBM Inc.	(3) (5)	none	4,000,000	$	0.010	free trading	no
DMBM Inc.	(3) (5)	none	1,305,000	$	0.010	free trading	no

Michael Capizzano	(3) (5)	none	2,268,602	$	0.055	free trading	no
Richard Trauger	(8)	none	2,527,573	$	0.054	restricted	yes
DMBM Inc.	(3) (5)	none	10,000,000	$	0.015	free trading	no
Double U Master Fund LP	(1)	none	407,304	$	0.020	free trading	no
Double U Master Fund LP	(1)	none	114,516	$	0.020	free trading	no
Michael Capizzano	(5)	none	142,136	$	0.013	free trading	no
Mary Kathleen McKee	(3)	none	20,000	$	0.020	restricted	yes
Richard Tobin	(3)	none	20,000	$	0.020	restricted	yes
M. Karen Newell-Rogers	(3)	none	2,000,000	$	0.020	restricted	yes
Lloyd Phillips	(4)	none	4,000,000	$	0.020	restricted	yes
Mary Charleine St. Clair	(4)	none	383,333	$	0.020	restricted	yes
Chai Yin Ling	(4) (7)	none	38,000	$	0.020	restricted	yes
Chin Soon Loi	(4) (7)	none	38,000	$	0.020	restricted	yes
Yeo Li Mei & Yolanda Yeo	(4) (7)	none	38,000	$	0.020	restricted	yes
Liew Yen Chu	(4) (7)	none	10,000	$	0.020	restricted	yes
Teo Tiong Lai	(4) (7)	none	38,000	$	0.020	restricted	yes
Chong Chok Ken	(4) (7)	none	38,000	$	0.020	restricted	yes
Khoo Tau Kian	(4) (7)	none	20,000	$	0.020	restricted	yes
Chu Moi Lan & Frances	(4) (7)	none	10,000	$	0.020	restricted	yes
Evylin Anthony	(4) (7)	none	10,000	$	0.020	restricted	yes
Ang Hong Tee	(4) (7)	none	38,000	$	0.020	restricted	yes
Chong Chiew Yen& Victoria Chong	(4) (7)	none	38,000	$	0.020	restricted	yes
Chang Wan Man&Chong Yun Ming	(4) (7)	none	38,000	$	0.020	restricted	yes
Loi Keng Tshin & Lai Kin Tshin	(4) (7)	none	10,000	$	0.020	restricted	yes
Loi Keng Mui	(4) (7)	none	10,000	$	0.020	restricted	yes
Loi Kin Yoong & Loi Keng Yoong	(4) (7)	none	10,000	$	0.020	restricted	yes
Lee Hee Tai	(4) (7)	none	10,000	$	0.020	restricted	yes
Low Swee Kheng	(4) (7)	none	20,000	$	0.020	restricted	yes
Loi Keng Choo & Lai Keng Choo	(4) (7)	none	50,500	$	0.020	restricted	yes
Lim Yaw Ming	(4) (7)	none	70,700	$	0.020	restricted	yes
Tan Nyuk Hwa	(4) (7)	none	206,000	$	0.020	restricted	yes
Chin Yun Moi & Jenny Chin	(4) (7)	none	40,000	$	0.020	restricted	yes
Lim Siew Phin	(4) (7)	none	20,000	$	0.020	restricted	yes
Yong Nget Fah & Yung Nget Fah	(4) (7)	none	20,000	$	0.020	restricted	yes
Yung Ni Wah & Yung Mui Fah	(4) (7)	none	10,000	$	0.020	restricted	yes
Yung Zheng Yi	(4) (7)	none	10,000	$	0.020	restricted	yes
Yung Zheng Wen	(4) (7)	none	10,000	$	0.020	restricted	yes
Tan Boon How	(4) (7)	none	10,000	$	0.020	restricted	yes
Wong Swee Thin	(4) (7)	none	10,000	$	0.020	restricted	yes
Loong Nyet Vun	(4) (7)	none	10,000	$	0.020	restricted	yes
Wong Boon Hiang	(4) (7)	none	10,000	$	0.020	restricted	yes
Liaw Chai Chin	(4) (7)	none	10,000	$	0.020	restricted	yes
Chua Kim Ming	(4) (7)	none	10,000	$	0.020	restricted	yes
Chua Yuan Wei	(4) (7)	none	10,000	$	0.020	restricted	yes
Chu Yuk Ghee & Chu Yuk Yee	(4) (7)	none	10,000	$	0.020	restricted	yes
Goh Yat Hing	(4) (7)	none	20,000	$	0.020	restricted	yes
Subhagan a/l Chandran	(4) (7)	none	10,000	$	0.020	restricted	yes
Gan Baby	(4) (7)	none	10,000	$	0.020	restricted	yes
Goh Yen Ying & Sakura Goh	(4) (7)	none	70,700	$	0.020	restricted	yes
Lim Tuang Yeo	(4) (7)	none	30,000	$	0.020	restricted	yes

Wong Mei Jen	(4) (7)	none	30,000	$	0.020	restricted	yes
Boh Ai Mooi	(4) (7)	none	550,000	$	0.020	restricted	yes
Soon Chze Moi & Helen Suen	(4) (7)	none	50,500	$	0.020	restricted	yes
Chan Shing Yap	(4) (7)	none	30,000	$	0.020	restricted	yes
Kenney Tseu Vui Lung	(4) (7)	none	50,500	$	0.020	restricted	yes
Othman bin Walat	(4) (7)	none	102,000	$	0.020	restricted	yes
Shim Siew Fui	(4) (7)	none	102,000	$	0.020	restricted	yes
Thien Fen Biau & Thien Ket Phin	(4) (7)	none	420,000	$	0.020	restricted	yes
U Ka Hong	(4) (7)	none	102,000	$	0.020	restricted	yes
Chu Vui Keong	(4) (7)	none	50,500	$	0.020	restricted	yes
Lo Kee Kong	(4) (7)	none	53,000	$	0.020	restricted	yes
Clare Lo Oil Kyun	(4) (7)	none	50,000	$	0.020	restricted	yes
Jacob Lo Vui Kyun	(4) (7)	none	50,000	$	0.020	restricted	yes
Lim Kin Nam	(4) (7)	none	30,000	$	0.020	restricted	yes
Chan Mui Lin	(4) (7)	none	201,500	$	0.020	restricted	yes
Goh Hui Bee	(4) (7)	none	10,000	$	0.020	restricted	yes
Lee Tshun Chew	(4) (7)	none	50,500	$	0.020	restricted	yes
Richard Fung Yin Chon	(4) (7)	none	20,000	$	0.020	restricted	yes
Lo Sin Choi	(4) (7)	none	38,000	$	0.020	restricted	yes
Lo Teck Yin	(4) (7)	none	38,000	$	0.020	restricted	yes
Wong Hieng Ping	(4) (7)	none	38,000	$	0.020	restricted	yes
Chow Yoke Chan	(4) (7)	none	38,000	$	0.020	restricted	yes
Ang Lui Meng	(4) (7)	none	38,000	$	0.020	restricted	yes
Tham Chin Len	(4) (7)	none	38,000	$	0.020	restricted	yes
Ang Ting Vei	(4) (7)	none	38,000	$	0.020	restricted	yes
Sim Si Jeng	(4) (7)	none	38,000	$	0.020	restricted	yes
Phuah Leong Cheng	(4) (7)	none	38,000	$	0.020	restricted	yes
Siew Kim Hong	(4) (7)	none	38,000	$	0.020	restricted	yes
Ang Hock Ming	(4) (7)	none	38,000	$	0.020	restricted	yes
Yapp Mei Fang	(4) (7)	none	38,000	$	0.020	restricted	yes
Eugene Leong	(4) (7)	none	38,000	$	0.020	restricted	yes
Ang Seow Kim	(4) (7)	none	38,000	$	0.020	restricted	yes
Lee Swee Loong	(4) (7)	none	38,000	$	0.020	restricted	yes
Soo Kam Heng	(4) (7)	none	38,000	$	0.020	restricted	yes
Teoh Khai Chen	(4) (7)	none	38,000	$	0.020	restricted	yes
Teoh Khai Kee	(4) (7)	none	38,000	$	0.020	restricted	yes
Teoh Khai Li	(4) (7)	none	38,000	$	0.020	restricted	yes
Teoh Khai Sin	(4) (7)	none	38,000	$	0.020	restricted	yes
Ebjlna Singkui & Abna	(4) (7)	none	38,000	$	0.020	restricted	yes
Lee Chee Meng	(4) (7)	none	38,000	$	0.020	restricted	yes
Lee Yeon Ken	(4) (7)	none	38,000	$	0.020	restricted	yes
Jong Mui Joon	(4) (7)	none	38,000	$	0.020	restricted	yes
Liaw Wee Ming	(4) (7)	none	38,000	$	0.020	restricted	yes
Tay Seng Yean	(4) (7)	none	38,000	$	0.020	restricted	yes
Lim Yaw Ming	(4) (7)	none	10,000	$	0.020	restricted	yes
Thien Loi Thai	(4) (7)	none	10,000	$	0.020	restricted	yes
Thien Yuk Chu	(4) (7)	none	10,000	$	0.020	restricted	yes
Chai Fui Vun	(4) (7)	none	10,000	$	0.020	restricted	yes
Lau Hen Jin&Liau Hen Jin	(4) (7)	none	10,000	$	0.020	restricted	yes
Lee Nyuk Len &Lenny Lee	(4) (7)	none	30,000	$	0.020	restricted	yes

Lee Nyuk Han&Agnes Lee Nyuk Han	(4) (7)	none	10,000	$	0.020	restricted	yes
Liau Lee Chee&Liau Tan Ching	(4) (7)	none	10,000	$	0.020	restricted	yes
Lim Bee Lin	(4) (7)	none	10,000	$	0.020	restricted	yes
Ng Kui Ching	(4) (7)	none	10,000	$	0.020	restricted	yes
Lau Siong Ing	(4) (7)	none	38,000	$	0.020	restricted	yes
Lau Hua Yong	(4) (7)	none	38,000	$	0.020	restricted	yes
Boh Ai Lan	(4) (7)	none	38,000	$	0.020	restricted	yes
Boh Ai Mooi	(4) (7)	none	76,000	$	0.020	restricted	yes
Teh Kang Tsyr	(4) (7)	none	38,000	$	0.020	restricted	yes
Teh Chiew Tsyr	(4) (7)	none	38,000	$	0.020	restricted	yes
Yee Ah Yin	(4) (7)	none	38,000	$	0.020	restricted	yes
Sham Mee Mee	(4) (7)	none	10,000	$	0.020	restricted	yes
Wong Bit Yuh	(4) (7)	none	10,000	$	0.020	restricted	yes
Sim Lee Choo	(4) (7)	none	38,000	$	0.020	restricted	yes
Foo Mei Chin	(4) (7)	none	20,000	$	0.020	restricted	yes
Sim Gek Kim	(4) (7)	none	38,000	$	0.020	restricted	yes
Sim Geak Huat	(4) (7)	none	20,000	$	0.020	restricted	yes
Lee Swee Peng	(4) (7)	none	38,000	$	0.020	restricted	yes
Sim Mang Hoong	(4) (7)	none	38,000	$	0.020	restricted	yes
Sim Lee Hoon	(4) (7)	none	50,000	$	0.020	restricted	yes
Tsai Koh Fen	(4) (7)	none	50,000	$	0.020	restricted	yes
Tay Choon Ku	(4) (7)	none	38,000	$	0.020	restricted	yes
Tay Thien Wee	(4) (7)	none	38,000	$	0.020	restricted	yes
Ngui Ah Kim	(4) (7)	none	38,000	$	0.020	restricted	yes
Rose Hii Kew Choo	(4) (7)	none	380,000	$	0.020	restricted	yes
Tan Han Bang	(4) (7)	none	38,000	$	0.020	restricted	yes
Eva Yeo Ee Wei	(4) (7)	none	38,000	$	0.020	restricted	yes
Bong Shui Chin & Bong Soon Chin	(4) (7)	none	38,000	$	0.020	restricted	yes
Chai Swee Ngo& Siew Ngo	(4) (7)	none	38,000	$	0.020	restricted	yes
Chai Choon Fah	(4) (7)	none	38,000	$	0.020	restricted	yes
Chai Siew Hian	(4) (7)	none	38,000	$	0.020	restricted	yes
Chai Tai Ngi	(4) (7)	none	100,000	$	0.020	restricted	yes
Chai See Lian	(4) (7)	none	38,000	$	0.020	restricted	yes
Chai Min Lee	(4) (7)	none	50,000	$	0.020	restricted	yes
Chai Kiew Liung	(4) (7)	none	50,000	$	0.020	restricted	yes
Kueh Geok Boi	(4) (7)	none	114,000	$	0.020	restricted	yes
Soh Jing Jiun	(4) (7)	none	38,000	$	0.020	restricted	yes
Chin Nyuk Chung	(4) (7)	none	38,000	$	0.020	restricted	yes
Hoh Yee Chuen	(4) (7)	none	10,000	$	0.020	restricted	yes
Vun Yap Fui	(4) (7)	none	38,000	$	0.020	restricted	yes
Yii Choon Lang	(4) (7)	none	20,000	$	0.020	restricted	yes
Lim Mui Liang&Lim Moi Liang	(4) (7)	none	10,000	$	0.020	restricted	yes
Chong Kim Fah	(4) (7)	none	38,000	$	0.020	restricted	yes
Kong Swee Fa	(4) (7)	none	38,000	$	0.020	restricted	yes
Thian Bui Chee	(4) (7)	none	10,000	$	0.020	restricted	yes
Bong Ted Chin & Bong Pet Chin	(4) (7)	none	10,000	$	0.020	restricted	yes
Phua Ong Nga	(4) (7)	none	10,000	$	0.020	restricted	yes
Chai Fui Yau	(4) (7)	none	38,000	$	0.020	restricted	yes
Chang Choo Moi	(4) (7)	none	38,000	$	0.020	restricted	yes
Chai Seng Hiong	(4) (7)	none	38,000	$	0.020	restricted	yes

Jong Siew Lin	(4) (7)	none	38,000	$	0.020	restricted	yes
Lim Yiin Sam	(4) (7)	none	38,000	$	0.020	restricted	yes
Ng Nyuk Yong	(4) (7)	none	12,667	$	0.020	restricted	yes
Jabez Khoo Haw Chiong	(4) (7)	none	38,000	$	0.020	restricted	yes
Seethala Valsan	(4) (7)	none	20,000	$	0.020	restricted	yes
Yew Kam Keong	(4) (7)	none	20,000	$	0.020	restricted	yes
Hew Ah Kow	(4) (7)	none	20,000	$	0.020	restricted	yes
Khoo Chee Kuen	(4) (7)	none	10,000	$	0.020	restricted	yes
Teng Yu-Mein	(4) (7)	none	10,000	$	0.020	restricted	yes
Lee Yip Fong	(4) (7)	none	20,000	$	0.020	restricted	yes
Yew Yoke Ching	(4) (7)	none	10,000	$	0.020	restricted	yes
Yew Yoke Ching	(4) (7)	none	10,000	$	0.020	restricted	yes
Shanthi Rama Rao Nagarathnam	(4) (7)	none	38,000	$	0.020	restricted	yes
Chomachondram a/l Allaga	(4) (7)	none	38,000	$	0.020	restricted	yes
Yap Kim Chiu	(4) (7)	none	76,000	$	0.020	restricted	yes
Tan Soon Tee	(4) (7)	none	133,300	$	0.020	restricted	yes
Michael Capizzano	(3) (5)	none	12,000,000	$	0.010	free trading	no
Liu Canglong	(4) (7)	none	1,000,000	$	0.020	restricted	yes
DMBM Inc.	(3) (5)	none	8,333,333	$	0.010	free trading	no
Richard Gerstner	(2)	none	2,500,000	$	0.030	restricted	yes
JTL Enterprises Corp.	(3)	none	400,000	$	0.020	restricted	yes
Gerard Khoo Fook Weng	(4) (7)	none	20,000	$	0.020	restricted	yes
Health Builders (M) Sdn Bhd	(4) (7)	none	666,667	$	0.020	restricted	yes
Yap Kah Chong	(4) (7)	none	60,000	$	0.020	restricted	yes
Ting Siew Ai	(4) (7)	none	16,667	$	0.020	restricted	yes
Ling Chuo Hee	(4) (7)	none	38,889	$	0.020	restricted	yes
Pang Ing Sah	(4) (7)	none	38,000	$	0.020	restricted	yes
John Pang Ing Hui	(4) (7)	none	38,000	$	0.020	restricted	yes
Ling Chuo King	(4) (7)	none	27,778	$	0.020	restricted	yes
Law Chiong Soon	(4) (7)	none	16,667	$	0.020	restricted	yes
Yong Chui Hung	(4) (7)	none	20,000	$	0.020	restricted	yes
Wong Siong Kiing	(4) (7)	none	8,000	$	0.020	restricted	yes
Ting Huie Yieng	(4) (7)	none	12,000	$	0.020	restricted	yes
Ling Huat Ming	(4) (7)	none	12,000	$	0.020	restricted	yes
Wong Ai Lan	(4) (7)	none	12,000	$	0.020	restricted	yes
Tan Phit Sian	(4) (7)	none	38,000	$	0.020	restricted	yes
Tan Phit Sian	(4) (7)	none	40,000	$	0.020	restricted	yes
Tan Phit Sian	(4) (7)	none	40,000	$	0.020	restricted	yes
Lau Pick Hung	(4) (7)	none	28,000	$	0.020	restricted	yes
Pong Nyuk Yee	(4) (7)	none	76,000	$	0.020	restricted	yes
Chong Jinn Ger	(4) (7)	none	38,000	$	0.020	restricted	yes
Wong Joon Hong	(4) (7)	none	40,000	$	0.020	restricted	yes
Chong Fai Yee	(4) (7)	none	38,000	$	0.020	restricted	yes
Lee Tshun Chew	(4) (7)	none	22,000	$	0.020	restricted	yes
Lin Lee Ken	(4) (7)	none	38,000	$	0.020	restricted	yes
Siaw Yun Kui	(4) (7)	none	100,000	$	0.020	restricted	yes
Mary Ku Mei Li	(4) (7)	none	40,000	$	0.020	restricted	yes
Liaw Kit Siong	(4) (7)	none	40,000	$	0.020	restricted	yes
Liew Soo Pang	(4) (7)	none	60,000	$	0.020	restricted	yes
Chang Su Shong Connie	(4) (7)	none	30,000	$	0.020	restricted	yes

Yap Soon Hoo	(4) (7)	none	76,000	$	0.020	restricted	yes
Joyce Lau	(4) (7)	none	20,000	$	0.020	restricted	yes
Yong Fui Ni	(4) (7)	none	40,000	$	0.020	restricted	yes
Tan Mei Ling	(4) (7)	none	40,000	$	0.020	restricted	yes
Chung Fung Yen	(4) (7)	none	100,000	$	0.020	restricted	yes
Loh Hua Hee	(4) (7)	none	38,000	$	0.020	restricted	yes
Chia Yee Fung	(4) (7)	none	38,000	$	0.020	restricted	yes
Audrey Kueh Hui Lu	(4) (7)	none	38,000	$	0.020	restricted	yes
Liaw Chai Bian	(4) (7)	none	38,000	$	0.020	restricted	yes
Alex Kueh Siu Khai	(4) (7)	none	38,000	$	0.020	restricted	yes
Lai Hing Keong	(4) (7)	none	38,000	$	0.020	restricted	yes
Leu Houng King	(4) (7)	none	38,000	$	0.020	restricted	yes
Ling Hau Kin	(4) (7)	none	38,000	$	0.020	restricted	yes
Monica Lau Suan Lake	(4) (7)	none	38,000	$	0.020	restricted	yes
Tan Han Bang	(4) (7)	none	38,000	$	0.020	restricted	yes
Sharon Tan Xiang Ting	(4) (7)	none	38,000	$	0.020	restricted	yes
Monica Lau Suan Lake	(4) (7)	none	38,000	$	0.020	restricted	yes
Sherlyn Tan Xiang Zhin	(4) (7)	none	38,000	$	0.020	restricted	yes
Sarah Tan Xiang Rong	(4) (7)	none	38,000	$	0.020	restricted	yes
Ivy Teo	(4) (7)	none	38,000	$	0.020	restricted	yes
Scully Samantha	(4) (7)	none	38,000	$	0.020	restricted	yes
Lau Suan Pet	(4) (7)	none	38,000	$	0.020	restricted	yes
Baby Lau Suan Ang	(4) (7)	none	38,000	$	0.020	restricted	yes
Ang Hui Sien	(4) (7)	none	38,000	$	0.020	restricted	yes
Liew Kueh Thon	(4) (7)	none	50,000	$	0.020	restricted	yes
Ang Hui Chin	(4) (7)	none	38,000	$	0.020	restricted	yes
Tan Siew Lin	(4) (7)	none	38,000	$	0.020	restricted	yes
Teo Tiong Ling	(4) (7)	none	50,000	$	0.020	restricted	yes
Pang Kang Nyun	(4) (7)	none	38,000	$	0.020	restricted	yes
Tan Soo Wah	(4) (7)	none	38,000	$	0.020	restricted	yes
Wong Swee Foo	(4) (7)	none	38,000	$	0.020	restricted	yes
Liaw Chai Bian	(4) (7)	none	400,000	$	0.020	restricted	yes
Fang Yee Kwang	(4) (7)	none	38,000	$	0.020	restricted	yes
Voon Bui Moi	(4) (7)	none	38,000	$	0.020	restricted	yes
Voon Bui Moi	(4) (7)	none	38,000	$	0.020	restricted	yes
Chew Teik Heng	(4) (7)	none	38,000	$	0.020	restricted	yes
Chew Teik Seng	(4) (7)	none	38,000	$	0.020	restricted	yes
Tan Kian Kok	(4) (7)	none	38,000	$	0.020	restricted	yes
Teo Mei Ling	(4) (7)	none	38,000	$	0.020	restricted	yes
Cheah Pang Fei	(4) (7)	none	38,000	$	0.020	restricted	yes
Norsiah Binti Mohd Shariff	(4) (7)	none	38,000	$	0.020	restricted	yes
Sim Eng Hiang	(4) (7)	none	38,000	$	0.020	restricted	yes
Tan Lee Hua	(4) (7)	none	38,000	$	0.020	restricted	yes
Chew Siew Jin	(4) (7)	none	38,000	$	0.020	restricted	yes
Richard Juman Anak Andrew Mang	(4) (7)	none	38,000	$	0.020	restricted	yes
Agatha Anak Francis Umbit	(4) (7)	none	38,000	$	0.020	restricted	yes
Tan Han Bang	(4) (7)	none	100,000	$	0.020	restricted	yes
Monica Lau Suan Lake	(4) (7)	none	100,000	$	0.020	restricted	yes
Ho Kok Shieh	(4) (7)	none	38,000	$	0.020	restricted	yes
Teh Ching Mau	(4) (7)	none	38,000	$	0.020	restricted	yes

Jimmy Robert Dawayan	(4) (7)	none	38,000	$	0.020	restricted	yes
Caroline Robert Dawayan	(4) (7)	none	38,000	$	0.020	restricted	yes
Cynthia @ Annamaria Robert Dawayan	(4) (7)	none	38,000	$	0.020	restricted	yes
Wong Kim Fung	(4) (7)	none	38,000	$	0.020	restricted	yes
Robert James Dawayan	(4) (7)	none	38,000	$	0.020	restricted	yes
Ling Toh King	(4) (7)	none	38,000	$	0.020	restricted	yes
Chai Nam Sen	(4) (7)	none	100,000	$	0.020	restricted	yes
Liau Kim Fung	(4) (7)	none	100,000	$	0.020	restricted	yes
Ooi Soo Eng	(4) (7)	none	38,000	$	0.020	restricted	yes
Ong Chong Hun	(4) (7)	none	38,000	$	0.020	restricted	yes
Chung Kui Boon	(4) (7)	none	38,000	$	0.020	restricted	yes
Fong Nyuk Neng	(4) (7)	none	38,000	$	0.020	restricted	yes
Jong Jun Chiung	(4) (7)	none	50,000	$	0.020	restricted	yes
Shung Shing Hui	(4) (7)	none	50,000	$	0.020	restricted	yes
Wong Hiek Lung	(4) (7)	none	100,000	$	0.020	restricted	yes
Teo Pao Chen	(4) (7)	none	150,000	$	0.020	restricted	yes
Wong Yin Kwan	(4) (7)	none	38,000	$	0.020	restricted	yes
Chin Fung Lee	(4) (7)	none	38,000	$	0.020	restricted	yes
Tan Han Keong	(4) (7)	none	38,000	$	0.020	restricted	yes
Ting Siew Yun	(4) (7)	none	50,000	$	0.020	restricted	yes
Lau Ai Mee	(4) (7)	none	38,000	$	0.020	restricted	yes
Piara Singh A/L Bishen Singh	(4) (7)	none	40,000	$	0.020	restricted	yes
Yap Hong Kee	(4) (7)	none	100,000	$	0.020	restricted	yes
Lim Hua	(4) (7)	none	200,000	$	0.020	restricted	yes
T. Joseph Natale	(8)	none	2,321,429	$	0.020	restricted	yes
David W. Odell	(8)	none	2,678,571	$	0.020	restricted	yes
David W. Odell	(8)	none	1,050,000	$	0.020	restricted	yes
John P. Tynan	(8)	none	1,250,000	$	0.020	restricted	yes
Marcus Elliott	(8)	none	200,000	$	0.020	restricted	yes
Hugh Austin	(9)	none	2,500,000	$	0.020	free trading	no
Lee Fui Moi	(4) (7)	none	3,800	$	0.020	restricted	yes
Kiw Pah Chung	(4) (7)	none	71,500	$	0.020	restricted	yes
Kiw Pah Huat	(4) (7)	none	49,400	$	0.020	restricted	yes
Lim Siew Kiok	(4) (7)	none	93,800	$	0.020	restricted	yes
Sim Ooi Tong	(4) (7)	none	29,200	$	0.020	restricted	yes
Kho Choon Seng	(4) (7)	none	11,400	$	0.020	restricted	yes
John Bong Mian Min	(4) (7)	none	96,000	$	0.020	restricted	yes
Teo Pao Chen	(4) (7)	none	3,800	$	0.020	restricted	yes
Gan Eh Peh	(4) (7)	none	11,600	$	0.020	restricted	yes
Kong Chui Ying	(4) (7)	none	10,600	$	0.020	restricted	yes
Bong Shui Chin	(4) (7)	none	15,200	$	0.020	restricted	yes
Lim Shui Seng	(4) (7)	none	3,800	$	0.020	restricted	yes
Yew Kam Keong	(4) (7)	none	12,000	$	0.020	restricted	yes
Ling Chuo Hee	(4) (7)	none	6,400	$	0.020	restricted	yes
Tan Phit Sian	(4) (7)	none	11,800	$	0.020	restricted	yes
Lau Pick Hung	(4) (7)	none	2,800	$	0.020	restricted	yes
Lee Hon Lung	(4) (7)	none	7,600	$	0.020	restricted	yes
Pauline Wong Pau Ling	(4) (7)	none	41,600	$	0.020	restricted	yes
Gan Eh Peh	(4) (7)	none	3,000	$	0.020	restricted	yes
Yap Soon Hoo	(4) (7)	none	7,600	$	0.020	restricted	yes

Lim Siew Kiok	(4) (7)	none	20,000	$	0.020	restricted	yes
Loh Hua Hee	(4) (7)	none	3,800	$	0.020	restricted	yes
Ivy Voon Yii Yun	(4) (7)	none	3,800	$	0.020	restricted	yes
Teo Pei San	(4) (7)	none	7,600	$	0.020	restricted	yes
Institutional Analyst Inc.	(3)	none	1,000,000	$	0.020	restricted	yes
DMBM Inc.	(3) (5)	none	4,166,167	$	0.010	free trading	no
Anthony Freda, Jr.	(3)	none	1,250,000	$	0.030	restricted	yes
Lorna Lau Ai Hung	(4) (7)	none	150,000	$	0.020	restricted	yes
Sim Ooi Tong	(4) (7)	none	74,000	$	0.020	restricted	yes
Jong Siew Lin	(4) (7)	none	100,000	$	0.020	restricted	yes
Sim Gek Kim	(4) (7)	none	40,000	$	0.020	restricted	yes
Bong Shui Chin	(4) (7)	none	20,000	$	0.020	restricted	yes
Thien Siew Kee	(4) (7)	none	100,000	$	0.020	restricted	yes
Tay Choon Ku	(4) (7)	none	40,000	$	0.020	restricted	yes
Jeffery Ting Ming Yew	(4) (7)	none	166,667	$	0.020	restricted	yes
Lim Mooi Feng	(4) (7)	none	200,000	$	0.020	restricted	yes
Jagjit Singh A/L G.S. Sambhi	(4) (7)	none	100,000	$	0.020	restricted	yes
Lee Sheng Chow	(4) (7)	none	250,000	$	0.020	restricted	yes
Michael Capizzano	(3) (5)	none	5,371,423	$	0.010	free trading	no
JTL Enterprises Corp.	(3)	none	500,000	$	0.030	restricted	yes
Imperial Consulting Network Inc.	(3)	none	4,000,000	$	0.050	free trading	no
DMBM Inc.	(5)	none	8,333,333	$	0.010	free trading	no
Michael Capizzano	(9)	none	5,000,000	$	0.020	free trading	no
Henry Alonzo	(4)	none	500,000	$	0.020	restricted	yes
Henry Alonzo	(4)	none	500,000	$	0.020	restricted	yes
Michael Capizzano	(3) (5)	none	9,071,071	$	0.024	partial	partial
M. Karen Newell-Rogers	(3)	none	5,000,000	$	0.029	restricted	yes
DMBM Inc.	(3) (5)	none	4,167,166	$	0.010	free trading	no
Sheila Williams	(4)	none	500,000	$	0.020	restricted	yes
Double U Master Fund LP	(1)	none	538,874	$	0.020	free trading	no
Crescent International Ltd.	(5)	none	6,838,962	$	0.010	free trading	no
DMBM Inc.	(3) (5)	none	15,000,000	$	0.010	free trading	no
Wonderland Capital Corp.	(3) (5)	none	5,686,614	$	0.010	free trading	no
Mitchell Klafter	(3) (5)	none	2,000,000	$	0.010	free trading	no
John R. Mittelman and Elizabeth B. Mittelman	(4)	none	200,000	$	0.020	restricted	yes
Vision Opportunity Master Fund Ltd.	(1)	none	2,566,395	$	0.010	free trading	no
Vision Opportunity Master Fund Ltd.	(3)	none	117,521	$	0.010	free trading	no
JTL Enterprises Corp.	(3)	none	2,000,000	$	0.047	restricted	yes
Quek Geok Ser	(4) (7)	none	90,000	$	0.0200	restricted	yes
Dharamvir Singh Godrei	(4) (7)	none	200,000	$	0.0200	restricted	yes
Yang Dong Liang	(4) (7)	none	30,000	$	0.0200	restricted	yes
Lim Hua	(4) (7)	none	350,000	$	0.0200	restricted	yes
Lim Hua	(4) (7)	none	250,000	$	0.0200	restricted	yes
John R. Mittelman and Elizabeth B. Mittelman	(4)	none	250,000	$	0.020	restricted	yes
DMBM Inc.	(5)	none	2,000,000	$	0.010	free trading	no
Lucien Wolff	(4)	none	1,000,000	$	0.020	restricted	yes
DMBM Inc.	(5)	none	2,000,000	$	0.010	free trading	no
Patton Capital Corp.	(3)	none	1,762,062	$	0.035	restricted	yes
Institutional Analyst Inc.	(3)	none	1,000,000	$	0.02	restricted	yes
Monica Ord	(3)	none	5,013,000	$	0.02	restricted	yes

DMBM Inc.	(5)	none	35,432,000	$	0.005	free trading	no
DMBM Inc.	(5)	none	2,500,000	$	0.01	free trading	no
Wonderland Capital Corp.	(5)	none	4,000,000	$	0.005	free trading	no
DMBM Inc.	(5)	none	8,000,000	$	0.005	free trading	no
Timothy and Thomas LLC	(5) (10)	none	81,655,691	$	0.0123	restricted	yes
Yew Kam Keong	(4) (7)	none	150,000	$	0.02	restricted	yes
Lim Hua	(4) (7)	none	700,000	$	0.02	restricted	yes
Chuan Woi Pow	(4) (7)	none	286,000	$	0.02	restricted	yes
Yang Dong Liang	(4) (7)	none	21,000	$	0.02	restricted	yes
Ling Chuo Hee	(4) (7)	none	113,000	$	0.02	restricted	yes
Lim Tian Poh	(4) (7)	none	15,000	$	0.02	restricted	yes
Ji Jingming	(4) (7)	none	37,750	$	0.02	restricted	yes
Lee Sheng Chow	(4) (7)	none	250,000	$	0.02	restricted	yes
Tengku Aressa Helanie bt Tengku Abdul Halim	(4) (7)	none	100,000	$	0.02	restricted	yes
Zhu Xin Hua	(4) (7)	none	50,000	$	0.02	restricted	yes
DMBM Inc.	(5)	none	1,319,600	$	0.005	free trading	no
DMBM Inc.	(5)	none	4,000,000	$	0.005	free trading	no
DMBM Inc.	(5)	none	3,000,000	$	0.005	free trading	no
DMBM Inc.	(5)	none	12,000,000		0.005	free trading	no
Bastiat Consulting Ltd	(3)	none	10,690,930	$	0.0105	restricted	yes
David R. Ajemian	(4)	none	4,000,000	$	0.05	restricted	yes
DMBM Inc.	(5)	none	10,000,000	$	0.0025	free trading	no
DMBM Inc.	(5)	none	22,777,060	$	0.0025	free trading	no
Myron and Sandi Rosenaur	(4)	none	100,000	$	0.02	restricted	yes
Imperial Consulting Network Inc.	(10)	none	8,000,000		0.02	free trading	no
Combustion Studios Inc.	(3)	none	750,000	$	0.02	restricted	yes
JTL Enterprises Corp.	(3)	none	2,800,000	$	0.01	restricted	yes
JTL Enterprises Corp	(3)	none	1,000,000		0.01	restricted	yes
John Michael Johnson	(3)	none	2,000,000		0.02	free trading	no
Richard Gerstner	(3)	none	400,000		0.02	restricted	yes
Marshall C. Phelps	(3)	none	400,000		0.02	restricted	yes
DMBM Inc.	(5)	none	27,600,000		0.0025	free trading	no
DMBM Inc.	(5)	none	10,000,000		0.0025	free trading	no
Martin Eric Weisberg	(3)	none	6,923,070	$	0.0195	restricted	yes
Patton Capital Corp.	(3)	none	3,681,536	$	0.0196	restricted	yes
DMBM Inc.	(5)	none	24,800,000		0.0025	free trading	no
Rodney Willilams	(4)	none	1,000,000	$	0.02	restricted	yes
Monica Ord	(3)	none	8,352,211	$	0.0161	restricted	yes
DMBM Inc.	(5)	none	10,000,000		0.0025	free trading	no
Haig Keledjian	(3)	none	6,568,321	$	0.0114	restricted	yes
DMBM Inc.	(5)	none	10,000,000		0.0025	free trading	no
SheehanBoyce LLC	(3)	none	600,000		0.02	restricted	yes
Louis W. Sullivan	(3)	none	400,000		0.02	restricted	yes
Robert Siegel	(4)	none	10,000,000	$	0.0025	restricted	yes
C. Everett Koop	(3)	none	1,200,000		0.02	restricted	yes
Michael Dellavecchia	(3)	none	1,034,520		0.01	restricted	yes
Martin E. Weisberg	(3)	none	2,566,475		0.0146	restricted	yes
DMBM Inc.	(5)	none	15,400,000	$	0.0025	free trading	no
DMBM Inc.	(5)	none	20,000,000	$	0.0025	free trading	no

Richard Gerstner	(4)	none	8,000,000	$ 0.0025	restricted	yes
Anthony Freda Jr.	(4)	none	8,000,000	$ 0.0025	restricted	yes
DMBM Inc.	(5)	none	20,000,000	$ 0.0025	free trading	no
Michael Capizzano	(4) (5)	none	9,487,808	$ 0.00275	restricted	yes
DMBM Inc.	(5)	none	38,000,000	$ 0.0025	free trading	no

(1) private placement originally registered on SB-2
(2) exercise of option or warrant
(3) issued for services: consultant/advisor
(4) private placement for cash
(5) conversion of debt
(6) Rule 504 Financing
(7) offshore offering
(8) consideration for acquisition, merger, LLC interest or share purchase
(9) exchange of Series A Preferred Shares
(10) issued in settlement of terminated contract

OPTIONS AND WARRANTS ISSUED FOR SERVICES

January 1, 2010 to Filing Date

Recipient	Quantity	Exercise Price	Issue Date	Expiration Date
Institutional Analyst Holdings Inc.	1,000,000	$ 0.050	10-Feb-10	10-Feb-15
Institutional Analyst Holdings Inc.	1,000,000	$ 0.100	10-Feb-10	10-Feb-15
Michael Capizzano	2,252,252	$ 0.066	16-Feb-10	16-Feb-15
Michael Capizzano	2,262,602	$ 0.086	14-Jun-10	14-Jun-15
JTL Enterprises Corp	300,000	$ 0.040	22-Dec-10	22-Dec-15
Samuel P. Zemsky	200,000	$ 0.040	22-Dec-10	22-Dec-15
JTL Enterprises Corp	500,000	$ 0.020	1-Jan-11	1-Jan-16
JTL Enterprises Corp	1,000,000	$ 0.040	1-Jan-11	1-Jan-16
JTL Enterprises Corp	500,000	$ 0.050	1-Jan-11	1-Jan-16
JTL Enterprises Corp	2,800,000	$ 0.030	1-Jan-11	1-Jan-16
JTL Enterprises Corp	250,000	$ 0.020	1-Jan-11	1-Jan-16
JTL Enterprises Corp	500,000	$ 0.040	1-Jan-11	1-Jan-16
JTL Enterprises Corp	250,000	$ 0.050	1-Jan-11	1-Jan-16
Michael Capizzano	9,071,071	$ 0.036	1-Feb-11	1-Feb-16
Haig Keledjian	12,000,000	$ 0.042	16-May-11	31-Dec-18
M. Karen Newell Rogers	10,000,000	$ 0.042	16-May-11	31-Dec-18
Monica Ord	8,000,000	$ 0.042	16-May-11	31-Dec-18
Bastiat Consulting Ltd.	8,000,000	$ 0.042	16-May-11	31-Dec-18
Robert Berliner	3,000,000	$ 0.042	16-May-11	31-Dec-18

Evan Newell	1,000,000	$	0.042	16-May-11	31-Dec-18
Haig Keledjian	3,000,000	$	0.0171	1-Jan-12	31-Dec-18
M. Karen Newell Rogers	2,500,000	$	0.0171	1-Jan-12	31-Dec-18
Monica Ord	2,000,000	$	0.0171	1-Jan-12	31-Dec-18
Bastiat Consulting Ltd.	2,000,000	$	0.0171	1-Jan-12	31-Dec-18
Robert Berliner	750,000	$	0.0171	1-Jan-12	31-Dec-18
Evan Newell	1,000,000	$	0.0171	1-Jan-12	31-Dec-18

Convertible Notes Issued for Services

January 1, 2010 to Filing Date

Noteholder	Salary/Fees Earned During Period	Conversion Price	Services
Haig Keledjian	$471,250	(1) (2)	represents accrued and unpaid fees under Employment Agreement
Michael Capizzano	$337,500	(1) (2)	represents accrued and unpaid fees under Consulting Agreement
M. Karen Newell Rogers	$150,000	(1) (3)	represents accrued and unpaid fees under Consulting Agreement
Evan Newell	$30,000	(1) (3)	represents accrued and unpaid fees under Consulting Agreement
Monica Ord	$438,750	(1) (4)	represents accrued and unpaid fees under Consulting Agreement
Robert Berliner	$15,000	(1)	represents accrued and unpaid fees under Consulting Agreement

(1) Amounts from 1/1/11forward exchangable into shares only at 80% of 20-day volume weighted average closing price of shares as reported on trading market.
(2) Amounts prior to 1/1/11exchangable into shares and warrants at 20-day volume weighted average closing price of shares as reported on trading market.

(3) Amounts prior to 1/1/11exchangable into shares only at $0.06.

(4) Amounts prior to 1/1/11exchangable at varying market prices.

Part F – Exhibits

Item XVIII – Material Contracts

Exhibit No. Title of Document

2.1 Agreement and Plan of Merger dated June 30, 2004, including the Agreement of Merger attached as Exhibit B (1)
3.31 Certificate of Determination effective April 28, 2009 (2)
10.1 Termination Agreement with New York International Commerce Group (1)
10.2 Termination Agreement with L&M Global Ventures (1)
10.3 Assignment of Royalty [termination] – New York International Commerce Group Inc. (1)
10.4 Assignment of Royalty [termination] – L&M Global Ventures Inc. (1)
10.5 Agreement and Plan of Merger – V-Clip Pharmaceuticals, Inc., Viral Genetics, Inc., a Delaware corporation, and Viral Genetics, Inc., a California corporation. (3)
10.6 Consent and Understanding – V-Clip Pharmaceuticals, Inc., Viral Genetics, Inc., a Delaware corporation, and Viral Genetics, Inc., a California corporation. (3)
10.7 Exclusive License Agreement – V-Clip Pharmaceuticals, Inc. and University License Equity Holdings Inc. (subsequently amended and restated) (4)
10.8 Subscription Agreement - University License Equity Holdings Inc. (4)
10.9 Debt Restructuring Agreement – Best Investments, Inc. (5)
10.10 Security Agreement – Best Investments, Inc. (5)
10.11 Subsidiary Guarantee – Best Investments, Inc. (5)
10.12 Memorandum of Understanding dated November 30, 2007 by and among Viral Genetics, Inc., V-Clip Pharmaceuticals, Inc. and University License Equity Holdings, Inc. (6)
10.13 Purchase Agreement – Michael Capizzano (7)
10.14 Business Services Agreement dated January 8, 2010 – John Michael Johnson (8)
10.15 Extension Agreement dated February 3, 2010 and effective June 30, 2008 – Eric S. Rosenberg (10)
10.16 Extension and Amendment Agreement effective July 1, 2009 – M. Karen Newell (8)
10.17 Business Marketing Agreement 2010 – Imperial Consulting Network, Inc. (8)
10.18 Assignment dated October 28, 2010 – MetaCytoLytics,Inc. (9)
10.19 Assignment dated October 28, 2010 – VG Energy, Inc. (9)
10.20 Consulting Agreement dated effective January 1, 2011 – Viral Genetics, Inc. and M. Karen Newell Rogers (10)
10.21 Consulting Agreement dated effective January 1, 2011 – Viral Genetics, Inc. and Robert Berliner (10)
10.22 Consulting Agreement dated effective January 1, 2011 – Viral Genetics, Inc. and Bastiat Consulting Ltd. (10)
10.23 Consulting Agreement dated effective January 1, 2011 – Viral Genetics, Inc. and Evan Newell (10)
10.24 Consulting Agreement dated effective January 1, 2011 – Viral Genetics, Inc. and Monica Ord (10)
10.25 Employment Agreement dated effective January 1, 2011 – Viral Genetics, Inc. and Haig Keledjian (10)
10.26 Extension Agreement dated effective January 1, 2011 – Leslie Z. Benet (10)

10.27 Letter Agreement dated September 21, 2010 – T. Joseph Natale (10)
10.28 Letter Agreement dated September 21, 2010 – David Odell (10)
10.29 Release and Settlement dated December 8, 2010 – Michael Capizzano (10)
10.30 Consulting Agreement dated effective January 1, 2011 – VG Energy, Inc. and Robert Berliner (10)
10.31 Consulting Agreement dated effective January 1, 2011 – VG Energy, Inc. and Bastiat Consulting Ltd. (10)
10.32 Consulting Agreement dated effective January 1, 2011 – VG Energy, Inc. and M. Karen Newell Rogers (10)
10.33 Consulting Agreement dated effective January 1, 2011 – Viral Genetics, Inc. and Monica Ord (10)
10.34 Employment Agreement dated effective January 1, 2011 – Viral Genetics, Inc. and Haig Keledjian (10)
10.35 Securities Purchase Agreement dated October 20, 2010 – John D. Lefebvre and VG Energy, Inc. (10)
10.36 Securities Purchase Agreement dated October 20, 2010 – DMBM Inc. and VG Energy, Inc. (10)
10.37 Securities Purchase Agreement dated October 20, 2010 – Imperial Consulting Network, Inc. and VG Energy, Inc. (10)
10.38 Lease Agreement – Texas Life-Sciences Collaboration Center (10)
10.39 Purchase and Sale Agreement dated January 31, 2011 – David Odell and Viral Genetics, Inc. (11)
10.40 Purchase and Sale Agreement dated January 28, 2011 – John Tynan and Viral Genetics, Inc. (11)
10.41 Securities Purchase Agreement dated January 28, 2011 – Rupert's Crossing Ltd., Viral Genetics, Inc. and VG Energy, Inc. (11)
10.42 Release and Settlement Agreement dated April 1, 2011 (University of Colorado) - DMBM, Inc. and Viral Genetics, Inc. (11)
10.43 Release and Settlement Agreement dated March 1, 2011 (University of Vermont) - DMBM, Inc. and Viral Genetics, Inc. (11)
10.44 Loan Agreement dated March 25, 2011 – Wonderland Capital Corp. and Viral Genetics, Inc. (11)
10.45 Promissory Note dated March 10, 2010 – Wonderland Capital Corp. and Viral Genetics, Inc. (11)
10.46 Form of Securities Purchase Agreements between VG Energy, Inc. and Roger Smith and Rupert's Crossing Ltd. (12)
10.47 Cancellation Agreement between Viral Genetics, Inc. and Imperial Consulting Network, Inc. dated effective January 1, 2011 (13)
10.48 Amendment to Note Purchase Agreement between Viral Genetics, Inc. and DMBM Inc. dated effective October 6, 2011 (13)
10.49 Services Agreement between Viral Genetics, Inc. and Combustion Studios Inc. dated effective February 10, 2011 (13)
10.50 Extension and Confirmation Agreement between Viral Genetics, Inc. and Richard Gerstner dated December 15, 2011 (13)
10.51 Investment Advisory Services Agreement between Viral Genetics, Inc. and Research 2.0 Inc. dated December 12, 2011 (13)

10.52 Consulting Services Agreement – Addendum between Viral Genetics, Inc. and JTL Enterprises Corp. dated June 30, 2011 and effective January 1, 2011 (13)
10.53 Convertible Debentures between Viral Genetics, Inc. and DMBM, Inc. dated November 3, 2011

(1) These exhibits are incorporated herein by this reference to Viral Genetics' Annual Report on Form 10-KSB for the year ended December 31, 2004, filed with the Securities and Exchange Commission.
(2) This exhibit is incorporated herein by this reference to Viral Genetics' Current Information report filed with OTCIQ / OTC Markets Inc. on April 24, 2009 and available at www.otcmarkets.com
(3) These exhibits are incorporated herein by this reference to Viral Genetics' Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 2008.
(4) These exhibits are incorporated herein by this reference to Viral Genetics' Current Report on Form 8-K filed with the Securities and Exchange Commission on December 3, 2007.
(5) These exhibits are incorporated herein by this reference to Viral Genetics' Current Report on Form 8-K filed with the Securities and Exchange Commission on July 8, 2008.
(6) These exhibits are incorporated herein by this reference to Viral Genetics' Current Report on Form 8-K filed with the Securities and Exchange Commission on December 20, 2007.
(7) These exhibits are incorporated herein by this reference to Viral Genetics' Initial Disclosure filed with OTCIQ / OTC Markets Inc. on August 5, 2009 and December 17, 2009 and available at www.otcmarkets.com.
(8) These exhibits are incorporated herein by this reference to Viral Genetics' Annual Report for the year ended December 31, 2009 filed with OTCIQ / OTC Markets Inc. and available at www.otcmarkets.com.
(9) These exhibits are incorporated herein by this reference to Viral Genetics' Quarterly Report for the nine-months ended September 30, 2010 filed with OTCIQ / OTC Markets Inc. and available at www.otcmarkets.com.
(10) These exhibits are incorporated herein by this reference to Viral Genetics' Annual Report for the year ended December 31, 2010 filed with OTCIQ / OTC Markets Inc. and available at www.otcmarkets.com.
(11) These exhibits are incorporated herein by this reference to Viral Genetics' Quarterly Report for the three-months ended March 31, 2011 filed with OTCIQ / OTC Markets Inc. and available at www.otcmarkets.com.
(12) These exhibits are incorporated herein by this reference to Viral Genetics' Quarterly Report for the six-months ended June 30, 2011 filed with OTCIQ / OTC Markets Inc. and available at www.otcmarkets.com.
(13) These exhibits are incorporated herein by this reference to Viral Genetics' Quarterly Report for the nine-months ended September 30, 2011 filed with OTCIQ / OTC Markets Inc. and available at www.otcmarkets.com.

Item XIX – Articles of Incorporation and Bylaws.

The following exhibits are incorporated by reference or attached hereto:

3.1 Certificate of Incorporation (1)
3.2 Certificate of Amendment (2)
3.3 Certificate of Amendment effective November 17, 2004 (3)
3.31 Certificate of Determination effective April 28, 2009 (4)
3.32 Certificate of Amendment effective May 13, 2009 (5)
3.4 Bylaws (1)

(1) These exhibits are incorporated herein by this reference to Viral Genetics' Registration Statement on Form 10-SB filed with the Securities and Exchange Commission on July 29, 1999.

(2) This exhibit is incorporated herein by this reference to Viral Genetics' Annual Report on Form 10-KSB for the year ended December 31, 2001, filed with the Securities and Exchange Commission on April 24, 2002.

(3) This exhibit is incorporated herein by this reference to Viral Genetics' Annual Report on Form 10-KSB for the year ended December 31, 2004, filed with the Securities and Exchange Commission on April 5, 2005.

(4) attached as Exhibit 3.31 under **Item XVIII – Material Contracts**

(5) This exhibit is incorporated herein by this reference to Viral Genetics' Current Reporting Obligation entitled “Articles of Incorporation – Amendment” on May 15, 2009.

Item XX – Purchase of Equity Securities by Issuer and Affiliated Purchasers

We have not made any purchases of our own securities, directly or indirectly, through an affiliate or otherwise.

Item XXI – Issuer's Certifications.

I, Haig Keledjian, certify that:

1. I have reviewed this Annual Report for the year ended December 31, 2011 and the accompanying Unaudited Consolidated Financial Statements of Viral Genetics Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 16, 2012

/s/
Haig Keledjian, President

EXHIBITS TO ANNUAL REPORT
FOR PERIOD ENDING
DECEMBER 31, 2011

EXHIBIT 10.53

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE UNDER THE SECURITIES ACT OF 1933 (THE "SECURITIES ACT").

CONVERTIBLE DEBENTURE

$616,700.00 As of November 3, 2011

For value received, Viral Genetics, Inc., a Delaware corporation (the "Company"), promises to pay to the order of DMBM Inc. (the "Holder"), the principal sum of SIX HUNDRED SIXTEEN THOUSAND, SEVEN HUNDRED DOLLARS AND NO CENTS or the aggregate outstanding principal amount hereof, whichever is less (the "Principal"), represents various loans (each a "Loan") made by the Holder to the Company from January 1, 2011 through November 3, 2011, on the dates and in the amounts specified on Schedule A attached hereto and to pay interest on the outstanding principal amount of this Convertible Debenture (this "Debenture") as provided herein.

1. Definitions. The following terms shall have the definitions set forth in this Section 1:

(a) "Business Day" means any day on which banks are open for business in both the State of California and the State of New York.

(b) "Common Stock" means the Company's common stock, par value $0.0001 per Share.

(c) "Conversion Price" shall be $0.02 per share; provided that the Conversion Price will be lowered to the lowest price per share that the Company issues Shares of Common Stock while any of the indebtedness represented by this Debenture is outstanding, but in no event less than $0.0025 per Share.

(d) "Shares" means shares of Common Stock.

(e) "Trading Day" means a calendar day on which the Shares are quoted for trading on the Trading Market.

(f) "Trading Market" means the following markets or exchanges on which the Shares are listed or quoted for trading on the date in question: The Over The Counter Bulletin Board, the PinkSheets, the Nasdaq SmallCap Market, the American Stock Exchange, the New York Stock Exchange, the Nasdaq National Market, the Toronto Stock Exchange, the TSX Venture Exchange, or any other securities

Counter Bulletin Board, the PinkSheets, the Nasdaq SmallCap Market, the American Stock Exchange, the New York Stock Exchange, the Nasdaq National Market, the Toronto Stock Exchange, the TSX Venture Exchange, or any other securities exchange registered with the United States Securities and Exchange Commission.

2. **Loans**. Each Loan made by the Holder to the Company evidenced by this Debenture, shall be set forth on Schedule A attached hereto. The Holder is authorized by the Company to modify Schedule A from time to time to reflect the amount of any partial conversion of this Debenture.

3. **Interest**. Interest on the outstanding Principal amount of this Debenture will accrue at a rate equal to one percent (1%) per annum from the date of the making of each Loan as set forth on Schedule A. Interest will be computed on the basis of a year of 12 months, each having 30 days, and will be paid on the Maturity Date and upon any permitted prepayment of this Debenture.

4. **Repayment**. The Company shall pay the Principal amount of this Debenture, together with all accrued and unpaid interest, to the Holder on November 3, 2012 (the "Maturity Date").

5. **Payment**. All payments due under this Debenture shall be made in either the lawful money of the United States of America or in Shares as determined according to this Section 5, without set-off, deduction, demand or notice.

(a) **Form of Payment**. Ten (10) days prior to the Maturity Date, the Company, at its sole discretion, shall notify the Holder whether the payment due shall be made in cash or in Shares.

(b) **Payment in Cash**. All payments in cash shall be made to the Holder by check or by wire transfer to such bank as the Holder may advise the Company in writing. The Company shall provide the Holder with five (5)three (3) business days prior written notice of any cash payment of the amount outstanding under this Debenture. Notwithstanding the receipt of cash payment notice, the Holder may sent a Conversion Notice to the Company, whereupon the cash payment shall not be permitted and this Debenture shall be converted, in whole or in part, in accordance with the Conversion Notice.

(c) **Payment in Shares**. The number of Shares issuable upon a payment being made in Shares shall be calculated by dividing the aggregate amount due on the Maturity Date by the Conversion Price. No fractional Shares will be issued upon conversion of this Debenture or a payment by the Company in Shares. In lieu of any fractional Share to which the Holder would otherwise be entitled upon a

payment in Shares, the Company will pay to the Holder in cash the amount of the unpaid or unconverted Principal and interest balance of this Debenture that would otherwise be paid or converted into such fractional Share. Shares issued hereunder shall be transmitted by the transfer agent of the Company to the Holder either by crediting the account of the Holder's designated broker with the Depository Trust Company through its Deposit Withdrawal Agent Commission ("DWAC"), or, if so elected by Holder, by physical delivery of certificates to Holder's address within five (5) Trading Days from the Due Date. If the Company fails for any reason to deliver to the Holder the Shares by the requisite delivery date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Shares not timely delivered, $5 per Trading Day (increasing to $10 per Trading Day on the fifteenth (15) Trading Day after such liquidated damages begin to accrue) for each Trading Day after such requisite delivery date until such Shares are delivered. In addition to any other rights available to the Holder, if the Company fails to cause its transfer agent to deliver to the Holder the Shares on or before the requisite delivery date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, Shares to deliver in satisfaction of a sale by the Holder of the Shares which the Holder anticipated receiving pursuant to this Debenture (a "Buy-In"), then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Shares so purchased exceeds (y) the amount obtained by multiplying (A) the number of Shares that the Company was required to deliver to the Holder multiplied by (B) the price at which the sell order giving rise to such purchase obligation was executed, and (2) deliver to the Holder the number of Shares that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Shares having a total purchase price of $11,000 to cover a Buy-In with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (1) of the immediately preceding sentence the Company shall be required to pay the Holder $ 1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, commercially reasonable evidence of the amount of such loss.

(d) **Adjustments**. If the Company, at any time while this Debenture is outstanding subdivides outstanding Shares into a larger number of shares or combines (including by way of reverse stock split) outstanding Shares into a smaller number of shares, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of Shares outstanding immediately before such event and of which the denominator shall be the number of Shares outstanding immediately after such event.

6. **Prepayment**. This Debenture may not be prepaid by the Company without the prior written consent of the Holder.

7. **Conversion**. All or any portion of the Principal amount of this Debenture, together will accrued interest thereon, may be converted at the option of the Holder at any time and from time to time, in the minimum principal amount of $5,000 and integral multiples of $1,000 thereafter, upon not less than two (2)three (3) Business Days after the Company's receipt of the Conversion Notice (as hereinafter defined) from the Holder and payment in full of the Conversion Price as then in effect. Each "Conversion Notice" shall mean a written notice from the Holder informing the Company of the date of the conversion, the principal amount of this Debenture being converted, the number of shares of Common Stock to be received upon conversion and confirming that the Conversion Price will be paid in cash. The Conversion Price shall be paid by certified check or by wire transfer of immediately available funds to a bank account designated by the Company in writing. Within three (3) Business Days after payment of the Conversion Price, the Company will deliver a certificate for the shares of Common Stock issued upon conversion to the Holder, or at the Holder's request, to a brokerage account for the benefit of Holder. The Company shall at all times reserve for issuance a number of shares of Common Stock sufficient to satisfy the conversion feature of this Debenture. The number of shares of Common Stock issuable upon the conversion of all or a portion of this Debenture shall be equal to the Principal amount of this Debenture being converted divided by the Conversion Price. For purposes hereof, any partial conversion of this Debenture, each Loan shall be considered separate and distinct indebtedness of the Company to the Holder for purposes of determining the holding period of each item of indebtedness represented by the Loan. Notwithstanding anything set forth herein, in no event shall the Holder be entitled to convert this Debenture for a number of shares of Common Stock in excess of that number of shares of Common Stock which, upon giving effect to such conversion, would cause the aggregate number of shares of Common Stock beneficially owned by the Holder and its affiliates to exceed 9.99% of the outstanding shares of the Common Stock following such conversion.

8. **Seniority**. The indebtedness represented by this Debenture is and shall be an obligation of the Company ranking senior in right of payment, liquidation and otherwise to any future indebtedness and other obligations of the Company. The Company will not create any indebtedness that is senior in priority to the indebtedness represented by this Debenture.

9. **Default**. Any one of the following occurrences shall constitute an "Event of Default" under this Debenture:

(a) failure of Company to pay any amount that it payable under

this Debenture on the Due Date, provided that such failure is not cured within a grace period of ten (10) calendar days; or

(b) failure to comply with or perform any other agreement or covenant of the Company contained herein, which failure does not otherwise constitute an Event of Default, provided that such failure has not been cured within thirty (30) calendar days written notice by Holder to the Company; or

(c) there shall occur any default or event of default, any similar event, any event that requires the prepayment of borrowed money or permits the acceleration of the maturity thereof, or any event or condition that might become any of the foregoing with notice or the passage of time or both, under the terms of any evidence of indebtedness or other agreement issued or assumed or entered into by the Company, or under the terms of any document or instrument under which any such evidence of indebtedness or other agreement is issued, assumed, secured, or guaranteed, and such event shall continue beyond any applicable notice, grace or cure period, provided that such condition shall not have been cured within thirty (30) calendar days of notice by Holder; or

(d) the Company shall fail to maintain its existence in good standing in its state of incorporation; provided that such condition shall not have been cured within thirty (30) calendar days of notice by Holder; or

(e) a judgment or settlement shall be entered or agreed to in any proceeding which would reasonably be expected to have a material and adverse effect on the ability of the Company to repay this Debenture; or any garnishment, summons, writ of attachment, citation, levy or the like is issued against or served upon Holder for the attachment of any property of the Company in Holder's possession or control, provided that such condition shall not have been cured within thirty (30) calendar days of notice by Holder of such condition; or

(f) any Share issued pursuant to this Debenture shall not be duly authorized, validly issued, fully paid or nonassessable, provided that such condition shall not have been cured within ninety (90) calendar days of notice by Holder of such condition; or

(g) the Company shake make a voluntary filing for bankruptcy under Title 11, Chapter 7 of the United States Code; or

(h) there shall be appointed a receiver or trustee to take possession of the property or assets of the Company under Title 11, Chapter 7 of the United States Code.

10. **Remedies**. Upon the occurrence and during the continuance of an Event of Default, this Debenture and shall become immediately due in full, and unpaid amounts hereunder will accrue interest at the rate equal to the stated rate plus 5.00% per annum, and Holder may exercise any rights and remedies under this Debenture, any Transaction Document or other document or instrument and at law or in equity. The time of payment of this Debenture is also subject to acceleration if an Event of Default occurs. Notwithstanding the foregoing, the entire unpaid Principal sum of this Debenture, together with accrued and unpaid interest thereon, shall become immediately due and payable upon any of the Events of Default set forth in this Debenture.

11. **Transfer; Successors and Assigns**. The terms and conditions of this Debenture shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. At the election of the Holder, but subject-to compliance with applicable securities laws, this Debenture may be assigned or transferred by the Holder, in whole or in part, upon surrender of this Debenture, duly endorsed, and accompanied by a duly executed written instrument of transfer in customary form, following which a new Debenture for the same principal amount and interest will be issued to, and registered in the name of, the transferee. If less than the entire amount of this Debenture is transferred or assigned, the Company will issue new Debentures to the transferee, in the amount transferred or assigned, and to the Holder, in the remaining Principal amount hereof after the transfer or assignment. This Debenture shall be binding upon and inure to the benefit of the Company and the Holder, their successors and permitted assigns and the transferees of the Holder.

12. **Governing Law**. This Debenture and all acts and transactions pursuant hereto and the rights and obligations of the Company and the Holder shall be governed, construed and interpreted in accordance with the laws of the State of New York, without giving effect to any of its principles of conflicts of law or choice of law principles which would result in the application of the laws of another jurisdiction.

13. **Notices**. Any notice required or permitted by this Debenture shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 96 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, if such notice is addressed to the party to be notified at such party's address or facsimile number as set forth herein or as subsequently modified by written notice.

14. **Amendments and Waivers**. This Debenture may only be amended, modified or waived by a written instrument executed by the Company and the Holder. Any amendment or waiver effected in accordance with this Section 14 shall be binding upon the Company, the Holder and each transferee or permitted assigns of any Debenture.

15. **Loss of Debenture**. Upon receipt by the Company of a customary representation by the Holder of the loss, theft, destruction or mutilation of this Debenture or any Debenture exchanged for it, and a customary indemnity undertaking by the Holder (in case of loss, theft or destruction) or surrender and cancellation of such Debenture {in the case of mutilation), the Company will make and deliver in lieu of such Debenture a new Debenture of like tenor.

16. **Waiver of Presentment, etc**. The Company hereby expressly waives presentment, demand for payment, dishonor, notice of dishonor, protest, notice of protest and any other formality upon the occurrence of an Event of Default.

17. **Entire Understanding**. This Debenture sets forth the entire understanding agreement of the Company and the Holder with respect to the subject matter hereof and it supersedes all prior and/or contemporaneous understandings and agreements with respect to such subject matter, all of which are merged herein, and it specifically amends and restates a Debenture dated this date in the same principal amount hereof, which did not accurately reflect the understanding and agreement of the Company and the Holder.

18. **Costs and Fees**. The Company agrees to pay all costs, expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by the Holder in endeavoring to collect any amounts payable hereunder (including, without limitation, amounts payable in Shares) which are not paid when due or otherwise in enforcing any provision of this Debenture and any of the rights and remedies of the Holder under this Debenture, at law or in equity.

[signature page follows]

In witness whereof, this Debenture has been executed by a duly authorized officer of the Company as of the date first written above.

Company

Viral Genetics, Inc.

By: _____

Name: Harry Kellar

Title: President