

BRENDAN TECHNOLOGIES INC
Form 10KSB
October 13, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-KSB

(Mark One)

Annual Report Pursuant To Section 13 or 15(d) Of the Securities Exchange Act Of 1934

For the fiscal year end **June 30, 2006**

Transition Report under Section 13 or 15(d) Of the Securities Exchange Act Of 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER 033-24138-D

BRENDAN TECHNOLOGIES, INC.

(Name of small business issuer in its charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

38-3378963

(I.R.S. Employer Identification No.)

2236 Rutherford Rd., Suite 107

Carlsbad, California

(Address of principal executive offices)

92008

(Zip Code)

Issuer's telephone number **(760) 929-7500**

Securities registered under Section 12(b) of the Exchange Act: **NONE.**

Securities registered under Section 12(g) of the Exchange Act:

COMMON STOCK, \$0.004995 PAR VALUE PER SHARE.

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** **No**

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

Edgar Filing: BRENDAN TECHNOLOGIES INC - Form 10KSB

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)
Yes No

Revenues for the fiscal year ended June 30, 2006 were: **\$681,337.**

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold as of **October 5, 2006 was \$4,841,963.**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. **As of October 5, 2006 the issuer had 25,498,794 shares of Common Stock outstanding.**

Part I Item 4 of this Annual Report on Form 10-KSB incorporates by reference information (to the extent specific sections are referred to herein) from the Registrant's Information Statement mailed to stockholders on July 24, 2006.

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

**Annual Report on Form 10-KSB
for the Year Ended June 30, 2006**

TABLE OF CONTENTS

		Page
PART I		
ITEM 1.	Description of Business	3
ITEM 2.	Description of Property	7
ITEM 3.	Legal Proceedings	7
ITEM 4.	Submission of Matters to a Vote of Security Holders	7
PART II		
ITEM 5.	Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities	7
ITEM 6.	Management's Discussion and Analysis or Plan of Operation	8
ITEM 7.	Financial Statements	17
ITEM 8.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	17
ITEM 8A.	Controls and Procedures	18
ITEM 8B.	Other Information	18
PART III		
ITEM 9.	Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act	19
ITEM 10.	Executive Compensation	21
ITEM 11.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	23
ITEM 12.	Certain Relationships and Related Transactions	24
ITEM 13.	Exhibits	25
ITEM 14.	Principal Accountant Fees and Services	28

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-KSB constitute "forward-looking statements". These statements, identified by words such as "plan", "anticipate", "believe", "estimate", "should," "expect" and similar expressions, include our expectations and objectives regarding our future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under the caption "Management's Discussion and Analysis or Plan of Operation" and elsewhere in this Form 10-KSB. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission ("SEC"), particularly our quarterly reports on Form 10-QSB and our current reports on Form 8-K.

As used in this annual report, the terms "we", "us", "our", "Brendan", the "Company", and "Omni" mean Brendan Technologies, Inc., unless otherwise indicated.

PART I

ITEM 1. DESCRIPTION OF BUSINESS.

The Company

On September 15, 2006, Omni U.S.A., Inc., a Nevada corporation ("**Omni**"), changed its name to Brendan Technologies, Inc., a Nevada corporation ("**we**", the "**Company**" or "**Brendan**"). On December 29, 2005, Omni, Omni's wholly-owned subsidiary Omni Merger Sub, Inc., a Michigan corporation ("**Merger Sub**"), Jeffrey Daniel and Edward Daniel entered into an Agreement and Plan of Merger (the "**Merger Agreement**") with Brendan Technologies, Inc., a Michigan corporation ("**Brendan Sub**") pursuant to which Merger Sub was merged with and into Brendan Sub and Brendan Sub became the surviving corporation in the merger and a wholly-owned subsidiary of Omni. Brendan Sub continues its corporate existence under the laws of the State of Michigan.

Concurrently with the merger, 4,754,709 shares of Brendan Sub common stock outstanding immediately before the merger were converted into 19,018,836 shares of Omni common stock, a four for one ratio. Also concurrently with the merger, (i) 4,352,879 shares of Omni common stock were issued to the holders of Brendan Sub Senior and Bridge Notes totaling \$2,654,198 in aggregate principal and interest, a conversion rate of 1.64 shares per \$1.00 under such debt; and (ii) 900,000 shares of Omni common stock was issued to individuals who participated in the arrangement of the merger.

Common stock options and warrants exercisable into 973,500 shares of Brendan Sub before the merger became exercisable into 3,894,000 common shares of Omni after the merger. The exercise price of the Omni stock options and warrants was adjusted to 25% of the exercise price of the Brendan Sub stock options and warrants.

At the effective time of the merger, Omni appointed John Dunn II, Lowell Giffhorn, Theo Vermaelen and Steven Eisold to the Omni Board of Directors, and Jeffrey Daniel, Craig Daniel, Kevin Guan and Didi Duan resigned from the Omni Board of Directors. In addition, John Dunn II was appointed Chairman of the Board, President, Chief Executive Officer and Chief Technical Officer; Lowell Giffhorn was appointed Vice President and Chief Financial Officer; and George Dunn was appointed Vice President, Secretary and Chief Operating Officer of Omni. Jeffrey Daniel and Craig Daniel resigned from their positions as officers of Omni.

Concurrent with entering into the Merger Agreement, on December 29, 2005, Omni entered into a Stock Purchase Agreement ("**Stock Purchase Agreement**") with Jeffrey K. Daniel, Craig L. Daniel and Edward Daniel ("**Daniels**")

pursuant to which, immediately following the merger, Omni sold to Daniels all of the issued and outstanding shares of capital stock of Omni U.S.A., Inc., a Washington corporation (“**Omni-Washington**”) and Butler Products Corporation (“**Butler**”), each of which was previously a wholly-owned subsidiary, in exchange for a three-year promissory note due on December 29, 2008 in the amount of \$672,000 (the “**Promissory Note**”).

Prior to the transactions effected by the Stock Purchase Agreement and Merger Agreement, Omni-Washington and Butler constituted substantially all of Omni's operations. Following the transactions effected by the Merger Agreement and the Stock Purchase Agreement, Brendan Sub is now our sole wholly-owned subsidiary, and we conduct all our operations through Brendan.

Business Overview

Brendan Sub was formed on October 31, 1997, under the laws of the State of Michigan as Brendan Technologies, Inc., and does business as Brendan Scientific Corporation. Through Brendan Sub, our wholly owned subsidiary, we are a software company that designs, develops and markets computational analytical software products for the laboratory testing industry. Brendan's laboratory workflow and analysis software platform manages the raw, computed and analytical data in testing laboratories and in manufacturing.

Brendan evolved from the initial work of its founder John R. Dunn II, Ph.D., now our Chairman, President, Chief Executive Officer and Chief Technical Officer. Brendan's first commercialized product is StatLIA®, software designed specifically for immunoassay testing. Since Dr. Dunn's early work on StatLIA® over nine years ago, StatLIA® has been developed with software engineers, mathematicians and laboratory professionals who specialize in laboratory testing. Over the years, StatLIA® has been used in laboratories, undergoing numerous revisions and additions to develop the product.

StatLIA®

Immunoassays, one of the world's largest and fastest growing testing technologies, is used to test for metabolites found in AIDS, hepatitis, cancer, environmental pollutants, side effects of new drugs and thousands of other biological and environmental substances. Immunoassays are a broadly applicable technology allowing low cost, rapid analysis through high throughput testing. Immunoassays are used extensively in pharmaceutical, hospital, clinical reference, academic and industrial research, environmental, agricultural, food processing and veterinarian laboratories t