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

FORM 10K

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

For the fiscal year ended: March 31, 2009
or
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: _____ to _____

ANPATH GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	**333-123365**	**20-1602779**
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

116 Morlake Drive, Suite 201, Mooresville, North Carolina 28117
(Address of Principal Executive Office) (Zip Code)

704-658-3350
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: None
Securities registered under Section 12(g) of the Exchange Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceeding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☐ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10K or any amendment to this Form 10K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on September 30, 2008 (the last business day of the registrant’s most recently completed second fiscal quarter), by reference to the price at which the voting stock was last sold, or the average bid and asked price of such voting stock, was $7,694,651.

On July 10, 2009, the registrant had 16,503,654 shares of common outstanding.

Documents incorporated by reference: None.

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PART I

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10K (including the Exhibits hereto) contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and the Private Securities Litigation Reform Act of 1995, such as statements relating to our financial condition, results of operations, plans, objectives, future performance and business operations. Such statements relate to expectations concerning matters that are not historical fact. Accordingly, statements that are based on management's projections, estimates, assumptions and judgments are forward-looking statements. These forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "plan," "estimate," "approximately," "intend," and other similar words and expressions, or future or conditional verbs such as "should," "would," "could," and "may." In addition, we may from time to time make such written or oral "forward-looking statements" in future filings (including exhibits thereto) with the Securities and Exchange Commission (the "Commission" or "SEC"), in our reports to stockholders, and in other communications made by or with our approval. These forward-looking statements are based largely on our current expectations, assumptions, plans, estimates, judgments and projections about our business and our industry, and they involve inherent risks and uncertainties. Although we believe that these forward-looking statements are based upon reasonable estimates and assumptions, we can give no assurance that our expectations will in fact occur or that our estimates or assumptions will be correct, and we caution that actual results may differ materially and adversely from those in the forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors that could cause our or our industry's actual results, level of activity, performance or achievement to differ materially from those discussed in or implied by any forward-looking statements made by or on behalf of us and could cause our financial condition, results of operations or cash flows to be materially adversely effected. Accordingly, investors and all others are cautioned not to place undue reliance on such forward-looking statements. In evaluating these statements, some of the factors that you should consider include those described below under "Item 1A Risk Factors" and elsewhere in this Annual Report on Form 10K.

ITEM 1. BUSINESS.

COMPANY OVERVIEW

General

Anpath Group, Inc. ("**Anpath**", the "**Company**", "**we**" or "**us**") through our wholly-owned subsidiary EnviroSystems, Inc. ("**ESI**"), produces disinfecting, sanitizing and cleaning products designed to help prevent the spread of infectious microorganisms, while minimizing the harmful effects to people, application surfaces and the environment. We believe that the ability to destroy a wide-range of disease-causing microorganisms combined with a favorable profile for health and environmental effects makes our products ideal for use in a wide range of applications/markets that are in need of disinfection/cleaning products that are safe to use and non-toxic.

We are directed by our mission to "Provide a healthier today and a safer tomorrow through knowledgeable people and innovative infection prevention, decontamination, and health science technologies, products, and services." We intend to utilize our technology and resources to develop products that reduce biological risks without introducing the attendant chemical risks that are so prevalent today.

It is this focus on developing safe infection prevention technologies that we believe will position us in the forefront of the industry at a time when there is rapidly growing awareness of the critical need to prevent biological risks — both natural and man-made.

Our headquarters is located at 116 Morlake Drive, Suite 201, Mooresville, North Carolina 28117. Our telephone number is (704) 658-3350.

Recent Developments

Private Placement

June 2009, we issued to accredited investors an aggregate of $905,000 of units (each a "Unit" and collectively, the "Units") with each Unit consisting of (i) a $10,000 principal amount 8% subordinated convertible promissory note, convertible into shares of our common stock at an initial conversion price of $0.50 per share, and (ii) a five year warrant to purchase up to 20,000 shares of our common stock at an exercise price of $0.75 per share. We received net proceeds of approximately $821,000 from the sale of the Units which we have used for to repay certain indebtedness and to use for operating funds.

1st Quarter FY '10 Revenues

Our revenues have increased significantly in the quarter following March 31, 2009. Our unaudited revenues through June 22, 2009 were approximately $141,000. A portion of the increase is due to orders of our products to combat the H1N1 flu pandemic.

Forbearance Agreement with ANPG Lending, LLC
On June 26, 2009 the Company agreed to reduce the exercise price of the 1,500,000 warrants outstanding to ANPG Lending LLC to $0.20 in exchange for ANPG Lending LLC agreeing to extend the maturity date of the loans aggregating $1,500,000 from July 8, 2009 to September 8, 2009.

Primary Technology Platform

We have developed and have trade secret rights to what we believe to be a unique and proprietary Parachlorometaxylenol (more commonly known as PCMX) based chemical emulsion biocide technology platform. PCMX has been widely used as an antimicrobial in surgical hand and skin scrubs. Based on this technology, we have developed a portfolio of efficacious disinfectants/sanitizers/cleaners that achieve bio-decontamination without using toxic & corrosive chemicals. Our PCMX chemical emulsion biocides have the following characteristics:

- They kill a wide range of infectious microorganism, including MRSA;
- They minimize harmful effects to people and do not cause skin, eye, pulmonary, oral or dermal irritation;
- They are non-corrosive (EnviroTru®/EnviroTru® 1453 are included in the Boeing Qualified Products List (QPL) and conform with AMS-1452A, 1453 & D6-7127 Aircraft Corrosion Specifications); and

In addition to the foregoing benefits, we also believe that our proprietary PCMX chemical emulsion biocide technology will act as a barrier to competition.

Product Categories

We believe that the concept of an easy-to-use and effective line of decontaminants that fits with a favorable environmental profile offers us a unique opportunity to differentiate our products in multiple infection prevention markets. It is our intention to use the unique characteristics of our chemical emulsion technology to build acceptance of our decontaminants as an alternative which is significantly different from other biocidal products that currently dominate the marketplace. We are exploiting our technology platform to establish a broad product portfolio in the following categories:

- Surface care products - disinfectants, sanitizers and cleaners (including wipes);
- Animal care products - skin and hoof care treatment and animal shampoo;
- Personal care products – antimicrobial hand soaps, hand sanitizers and facial scrubs (including wipes); and
- Geo-Biocides – biocides for use in the oil and gas industry.

Surface Care Products

We believe that convenience, safety, the effect on air quality and environmental responsibility are increasingly playing a greater role in the buying decision for surface cleaners/disinfectants. We believe that consumers in general have become more health conscious and at the same time have grown more concerned about the effect that traditional cleaners/disinfectants have on internal and external environments. Often consumers are required to settle for a trade-off between effectiveness and environmental friendliness. We believe that our surface care products will provide consumers with products that are both efficacious and safe for the environment.

Our surface care products include the following.

- **EnviroTru® Disinfectant & Cleaner Deodorizer,** which is a multi-purpose, ready-to-use disinfectant, sanitizer and deodorizing cleaner for use on hard surfaces. EnviroTru® is effective against numerous organisms without causing any adverse effects to surfaces, humans or the environment. EnviroTru® is registered by the Environmental Protection Agency (EPA) and meets EPA requirements for Toxicity Category IV (minimal effects noted, no precautionary or first aid statements required; no harmful dermal, ocular, inhalation or ingestion effects). EnviroTru® also conforms to AMS 1452A, AMS 1453 and Boeing D6-7127 specifications for non-corrosion and materials compatibility. EnviroTru® has no special handling requirements, does not require protective clothing, gloves or special ventilation and is non-flammable.

  EnviroTru® is also effective for use in animal housing facilities, including veterinary clinics, farms, equine farms, kennels, livestock houses, swine houses, poultry houses and laboratories. When used as directed, EnviroTru® will clean, deodorize and disinfect veterinary feeding and watering equipment, utensils, instruments, cages, kennels, stables, catteries, etc.

- **EnviroTru® 1453 Disinfectant & Cleaner Deodorizer**, which is a multi-purpose, ready-to-use disinfectant, sanitizer and deodorizing cleaner for use on aircraft hard surfaces, including exterior and interior surfaces such as cabins, toilets, sinks, faucets, counter tops and luggage compartments. EnviroTru®1453 conforms to AMS 1452A, AMS 1453 and Boeing D6-7127 specifications for non-corrosion and materials compatibility. EnviroTru®1453 is registered by the Environmental Protection Agency (EPA) and meets EPA requirements for Toxicity Category IV (minimal effects noted, no precautionary or first aid statements required; no harmful dermal, ocular, inhalation or ingestion effects). EnviroTru®1453 has no special handling requirements, does not require protective clothing, gloves or special ventilation and is non-flammable.

- **SurfaceTru™ Deodorizing Cleaner**, which is a powerful, multi-purpose cleaner and deodorizer that's safe for use on a variety of surfaces. SurfaceTru™ is effective for removing dirt and grime and is gentle to application surfaces, safe for the user and friendly to the environment. It has no special handling requirements, does not require protective clothing, gloves or special ventilation and is non-flammable.

- **SurfaceTru™ Cleaning & Deodorizing Wipes**, which are powerful cleaning and deodorizing wipes that are packaged in their own individual foil wrappers for easy portability. Each wipe opens to a large, 9" x 8" durable cloth with a smooth finish that can be conveniently used on a variety of surfaces. SurfaceTru™ Wipes can be carried with you for use when an immediate need for an effective, yet gentle cleaner arises.

- **Electrostatic Sprayers.** In addition to the foregoing products, we also market electrostatic sprayers produced by Electrostatic Spraying Systems, Inc. ("**ESS**") which may be used to apply our liquid surface care products to the target surfaces. Electrostatic sprayers provide superior spray coverage by more effectively dispensing solutions compared to conventional sprayers; tests have demonstrated 4-10 times better coverage. Electrostatic sprayers operate by producing highly charged spray droplets using a unique embedded induction electrode design. This induction charging results in spray droplets that have a force of attraction that is 75 times that of gravity. This means droplets will reverse direction and move upwards, against gravity, to coat hidden surfaces, and wrap around objects resulting in complete, even coverage of the target. When using an electrostatic sprayer it is possible to deliver ESI's liquid disinfectants and cleaners to difficult to reach locations that may harbor disease-causing microorganisms.

  In October 2008, we announced that ESI entered into a prime distributor agreement with ESS. Using ESS electrostatic sprayers in conjunction with our EnviroTru® Disinfectant Cleaner creates an electrostatically charged decontamination system which provides an efficient system to quickly administer EnviroTru® Disinfectant Cleaner to large areas, difficult to reach spaces, or to high-traffic areas that require frequent treatment. This system substantially improves the bio-availability of EnviroTru®. The result is reduced manpower costs and simultaneously improved coverage, reducing the threat of disease-causing microorganisms. In summary, the system offers an extremely efficient, cost-effective way to realize the advantages of EnviroTru®.

Future Surface Care Products

We are conducting research and development and are planning to reintroduce a hospital grade disinfectant product to replace one of our earlier products called EcoTru®. The reformulated disinfectant is expected to demonstrate through testing that it will effectively kill numerous bacteria, fungi, and viruses, including MRSA, Hepatitis B and C, HIV, herpes and influenza. Likewise, in addition to being highly effective as a disinfectant, our reformulated hospital grade product is expected to occupy a unique position in the market place, combining this microbial effectiveness in a disinfectant product which will also have a favorable profile for health and environmental effects.

Animal Care Products

We believe that the microorganism killing properties of our products, combined with their safety profile, make them ideally suited for use as a topical treatment for skin ailments caused by microorganisms. We have worked to develop products for use on animals and have focused initially on the equine market with the introduction of **EquineTru® Skin and Hoof Treatment**. EquineTru® Skin & Hoof Treatment is an antiseptic that may be used to rapidly, safely and effectively treat common skin and hoof conditions caused by microorganisms without irritating a horse's skin or drying out its hoofs. The active ingredient used in EquineTru® Skin and Hoof Treatment, PCMX, has been widely used as an antimicrobial in surgical hand and skin scrubs and it is successfully used as a topical antiseptic for skin and mucous membranes. It is also used as a fungicide in a variety of applications. EquineTru® Skin and Hoof Treatment has been reviewed and cleared for market by the Center for Veterinary Medicine (CVM), a division of the U.S. Food and Drug Administration (FDA). Its use is permitted for United States Equestrian Federation (USEF) and Fédération Equestre Internationale (FEI) regulated competitions.

Future Animal Care Product Considerations

We are working on developing several variations of EquineTru® Skin and Hoof Treatment for specific application, an animal shampoo and skin treatments for household pets.

Personal Care Products

Personal care products such as antimicrobial hand soaps and hand sanitizers, have traditionally been purchased by hospitals and health clinics. However, due to an increased awareness of germs and transmission of disease, individual consumers as well as institutional buyers such as health clubs, schools, restaurants and grocery stores are increasingly purchasing these products. These consumers, however, appear to have little understanding of the benefits and/or adverse consequences of the products they choose.

In response to what we believe will be an increasing market for these products, we are developing our **KeraTru™ Personal Care** line of products which will include hand sanitizers and antimicrobial soaps. Our KeraTru™ personal care line of products are safe and include several alcohol free products and we believe that they are more than or as effective as the leading brands.

Geo Biocides

In response to requests from members of the oil & gas industry for a non-toxic but effective disinfectant to replace toxic biocides used in hydraulic fracturing, we developed **GeoTru™ Concentrate** designed to be used as a "down-hole" biocide in the oil & gas industry. GeoTru™ Concentrate is a surfactant-based anionic chemistry with extended shelf life that is effective when used under aerobic or anaerobic conditions. It is active over a wide pH range and is non-oxidizing and nonreactive with other down-hole chemistries and designed to be used particularly in hydraulic fracturing.

Market Opportunity

We believe that in today's environment there are heightened concerns about microbial contamination, both natural and man-made. Microbial contaminants can be the cause of minor infection, or potentially, of life threatening illness. Increased awareness of the risk of potential disease transmission, by both medical and lay communities and growing pressure to reduce this risk, has resulted in increased demand for decontamination products. At the same time, demand for products that are environmental safe and non-toxic is also growing.

In response to this increasing demand, a growing number of products designed to kill potential contaminants are becoming available. Such products are commonly used by the medical, veterinary, aviation, janitorial, food service and leisure (hotels and cruise ships) industries, the military and recently the oil and gas industry. However, we believe that the vast majority of these products represent challenges to the environment as evidenced by the warnings on their labels. This conflict between efficacy and safety has resulted in a dilemma for the consumer and an opportunity for us.

Oil and Gas Industry Opportunity

Although we have not commenced sales of our Geo-Biocides, we believe that sales to the oil and gas industry of our Geo-Biocides present perhaps the greatest market opportunity for our products. Liquid biocides are utilized in the oil and gas industry in a process referred to as "hydraulic fracturing." Hydraulic fracturing is a process which involves pumping very large volumes of fluids into rock formations to improve oil and gas extraction process. The fluids used in hydraulic fracturing generally consist of water mixed with sand, friction reducers, scale inhibitors, surfactants and biocides. The mixture is pumped into fractures of rock formations containing oil and gas to open up the fractures and improve the efficiency of the removal process.

Many of the chemicals currently used to treat the water used in hydraulic fracturing are considered toxic and potentially harmful by the EPA. This poses environmental concerns since only about 82% of the solution returns to the surface. We were approached by participants in this industry seeking a better solution and a replacement for the toxic biocides used during hydraulic fracturing and in response developed GeoTru™ Concentrate as a replacement for the biocides used during hydraulic fracturing. Based upon preliminary discussions with potential customers in the oil and gas industry, they estimate that they would require approximately 700,000 gallons of liquid biocide on an annual basis.

We believe that in response to rising energy cost demand for well stimulation and enhanced oil recovery methods to maximize output of existing oil and gas wells will grow which will in turn provide a wide range of opportunities for the suppliers of both formulated oilfield chemicals and their raw materials. We believe that demand for well stimulation material will grow 14% annually through 2012 and we believe the US well stimulation material industry to be $2.8 billion, compared to the $5.4 billion oil-field chemical industry.

Surface Care Products Opportunity

We believe that nosocomial infections (infections acquired while an individual is in a hospital) affect approximately 2 million people annually, cause approximately 80,000 deaths in the US per year, and cost the economy over $4.5 billion annually in direct costs. In addition, approximately eighty million cases of food poisoning occur annually in the US with associated costs of $7.6 — $23 billion. Threats of pandemic or bioterrorist attack and health safety after hurricanes, tornadoes, and other natural disasters pose enormous infection prevention challenges. Growing concerns over the safety of cleaning and decontamination products currently used in public places (causes for allergic and asthmatic type reactions) are also on the rise. Many of these potential threats can be addressed through the use of anti-microbial surface care products.

Our infection prevention products will target a United States market for infection prevention products and services estimated at $10.3 billion in 2006 and expected to grow 4.6% annually to $11.8 billion in 2009. It is further estimated that consumables/disposables constitute 91% of this market. The total global demand is believed to be approximately 3-3.5 times that of the U.S. The demand for disinfectants in the U.S. is estimated to be between $2.2 billion and $2.5 billion in the same period. The world demand is at least two (2) fold and growing at a similar pace.

In the U.S., although all-purpose surface cleaner sales are expected to dip to around $1.3 billion by 2010, market researchers expect environmentally friendly and non-toxic products to increasingly gain market share. Additionally, the market for surface cleaner cloths and wipes is expected to grow to more than $500 million by 2010.

Recently we announced the selection of our EnviroTru® Disinfectant and Deodorizing Cleaner as the disinfectant of choice by the Washington, DC Metropolitan Area Transit Authority (Metro), the second largest rail transit system and the fifth largest bus network in the United States. Metro plans to intensify its "Cleaning for Health" initiative utilizing EnviroTru® Disinfectant and Deodorizing Cleaner in conjunction with electrostatic sprayers to provide an electrostatically charged decontamination system. The Metro program is a two-part program and includes a seasonal flu prevention program as well as safe guarding the health of customers through regular application of EnviroTru® to Metro offices, stations, rail cars, buses and other vehicles. EnviroTru® will be used on high hand contact areas within the system such as door handles, hand rails, fare card machines, and other surfaces customers contact when passing through the transit system. ESI had previously reported the signing of a Prime Distributor Agreement with ESS. We think Metro is the model for cleaning and infection prevention for transit systems everywhere and based on our experience with Metro we intend to expand our unique decontamination solution to other transit authorities worldwide.

Our airline disinfectant cleaner, EnviroTru® 1453 is used by multiple airlines, including several international carriers such as Singapore Airlines, Korean Airlines, Asiana Airlines, Ryanair and Malaysian Airlines. The product is a multi-purpose, ready-to-use disinfectant, sanitizer and deodorizing cleaner designed for use on aircraft hard surfaces, including exterior and interior surfaces, and conforms to AMS 1452A, AMS 1453 and Boeing D6-7127 specifications for non-corrosion and materials compatibility. Even at a time when expenses have increased sharply based on the cost of fuel there is a concern for safe infection prevention products and technologies in the airline industry. EnviroTru® 1453 satisfies that need by killing a wide range of disease-causing microorganisms and at the same time it meets the industry standards for non-corrosion and material compatibility. Airline customers are also comfortable with its extended use by their staff and in the presence of customers because of the Toxicity Category IV rating.

We also currently produce SurfaceTru™ cleaning & deodorizing wipes that to date have primarily been sold to JetBlue Airways.

While to date most of our product sales have been from domestic sources we are actively seeking to create international distribution channels. We recently announced an agreement with our manufacturing partner, Minntech, to distribute our products in Japan. We believe that our prior association with Minntech coupled with Minntech's organization in Japan will provide us with the ability to shorten the required time to penetrate this sizeable and influential market.

“Green” Products Opportunity.

Positioned strategically to satisfy the “green movement”, we announced earlier this year the selection of its disinfectant, EnviroTru® for use by Every Supply Company, Inc. (ESCI) of Mt. Vernon, N.Y. ESCI is one of the largest maintenance supply companies in the New York City metro area, currently serving over 1300 residential properties. Every Supply Company, Inc. is focused on implementation of its Green Residential Cleaning program and is presently educating and “retrofitting” its customer base with new cleaning industry technologies that are safer, more efficient and environmentally preferable. ESCI states they are the only company currently working with all LEED certified high rise residential properties in New York City and have converted over 50 properties from conventional to green cleaning methods. The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria. ESCI reports that their products are currently in use at The Solaire, the first green residential tower in the United States; The Helena, Tribeca Green, The Verdesian, The Vanguard Chelsea, The Epic and Millenium Tower Residences. To meet the increasing demand for those that desire to “live green” ESCI stated that several more properties will soon join the growing list of residences that are dependent upon the company to help provide environmentally sensitive structures.

We believe that the market for “green” cleansing and disinfecting products is growing and that consumers are increasingly looking to purchase natural cleansers. However, although many so-called natural cleaners may be relatively harmless to the environment, we believe that they are less effective for cleaning and disinfection than our products. As a result, consumers looking for a “green” alternative to more toxic cleansers are forced to sacrifice effectiveness in order to avoid so-called toxic chemicals. For example, the “active” ingredients in two commonly used cleaners that present themselves as “non-toxic,” Seventh Generation and Clorox’s Green Works, are coconut oil and water.

Formulations that disinfecting and cleaning action with gentleness and are environmentally safe and sustainable are preferred. In addition to our current products ESI has formulated, developed, and evaluated several formulations with pending patent applications that employ natural, naturally derived, and sustainable disinfecting, sanitizing, and cleaning ingredients including surfactants meeting the “CleanGredients” list and/or those chemicals noted as GRAS (Generally Recognized As Safe).

We intend to target natural food distribution chains to market our products because we believe that consumers that shop at natural food stores are particularly concerned about the toxicity of the cleaners they purchase. These informed buyers present us with a potentially large niche opportunity for our products. We intend to partner with a distributor that will offer EnviroTru® as a solution that is “natural,” safe, eco-friendly and effective through the natural foods channels.

Institutional Opportunity

We have broken down the potential institutional market into three segments – foodservice, janitorial and medical. All three segments prefer all-purpose cleaners to reduce the amount of time spent cleaning, as well as storage space. Also safety, particularly in the food services area, is paramount. The current cleaners on the market have forced these customers to make trade-offs in effectiveness versus safety.

Institutional customers are expected to be the fastest growing segment in this greater than $5 billion market, with surface cleaners comprising roughly 34% of the market, according to Kline & Co., a consulting and market research firm.

Animal Care Opportunity

An economic study conducted by Deloitte Consulting LLP for the American Horse Council Foundation in 2005 reported that the equine industry contributed more than $25 billion to the annual U.S. gross domestic product with over 9.5 million horses in the U.S. and more than 2 million horse owners, making the equine market an important and lucrative segment of the animal care market.

Pet products are the fastest growing retail category with a growth rate of 6% annually, and eco-friendly pet products are beginning to take hold. For example, sales of pet body care products continue to grow through natural food stores, from $303 million in 2002 to more than $1.2 billion in 2005.

Our initial animal care product, EquineTru® Skin and Hood Treatment continues to be embraced and endorsed by leading riders, trainers, owners and veterinarians as a valuable tool in controlling difficult-to-treat skin and hoof conditions and is now featured in the SmartPak catalog and has been chosen to be featured in the Dover Saddlery catalog, internet catalog and company-owned stores. EquineTru® was reviewed and cleared for market by the Center for Veterinary Medicine (CVM), a division of the U.S. Food and Drug Administration (FDA). Further, its use is permitted for Unites States Equestrian Federation and Fédération Equestre Internationale (FEI) regulated competitions.

Micro Chemical Emulsion Technology

Our disinfectant products are manufactured using our micro-emulsion technology. Through the use of micro-emulsion technology, we are able to create a highly efficient delivery mechanism for parachlorometaxylenol, which is the antimicrobial ingredient used in our chemical emulsion formulations. We believe that our micro-emulsion technology allows our products to specifically target infectious microorganisms without harming higher life forms or the environment.

Parachlorometaxylenol ("PCMX")

PCMX is the active antimicrobial ingredient in our EcoTru®, EnviroTru®, EnviroTru® 1453, EquineTru®, GeoTru™, and SurfaceTru™ products. PCMX has been used as an effective antimicrobial disinfectant ingredient for over five decades, both in the United States and in Europe. PCMX has been demonstrated to be effective against bacteria, virus, and fungal species. In other formulations using PCMX, its biocide activity has been limited due to the inability of such formulations to deliver PCMX because a water barrier exists between PCMX and microorganism membranes, which are both oily. Our chemical emulsion technology efficiently enables the delivery of PCMX across this barrier to the cell membranes.

In addition to its broad spectrum of activity, PCMX has a very low instance of allergic response (it has been used by the cosmetics industry for many years as a preservative) and it is degraded in the environment in both the presence and the absence of oxygen.

Micro-particle Anatomy

Observing the ESI chemical emulsions under a very high degree of magnification, one would see a suspension of micro-particles moving very rapidly in de-ionized water. Many of these particles are about 1/200th the width of a human hair. The center of the particles is oily or lipophilic, as is the target microbial membrane.

Incorporated into these micro-particles is PCMX biocide. The surface of each particle has a negative surface charge that is crucial to the targeting mechanism. There is an electrostatic attraction between these particles and the microbes. The selective targeting of the microbes by these micro-particles is the basis for the efficacy of our chemical emulsion products.

Micro-Emulsion Mechanism

The use of PCMX in an emulsion is the basis for our products efficacy. We believe that the physical/chemical properties of the emulsion particles and the electrostatic charge on the surface allows the particles to successfully target pathogenic microorganisms and deliver the biocide directly to the microorganisms' cell membrane, thereby improving efficacy.

By delivering the PCMX directly to the cell membrane, we have been able to reduce the concentration of the biocide PCMX to 0.2% and yet achieve disinfectant efficacy not seen at 15 to 25 fold higher concentrations.

In addition, we believe by targeting the microorganism membrane, it is not necessary to use an oxidizing biocide to kill the organism. Oxidizing biocides, such as bleach and hydrogen peroxide, are effective biocides but are indiscriminate, can be corrosive and require direct access to the microorganism. Also, a difference in cell surface architecture, which is the key to cellular identity, provide the mechanism by which our disinfectants micro-particles discriminate between microorganisms and provides the foundation and focal point for the antimicrobial effect of ESI disinfectants.

Manufacturing

Our liquid products are manufactured by Minntech Corporation, an EPA and FDA listed manufacturer. Effective August 2006, ESI entered into an agreement with Minntech, pursuant to which Minntech agreed to establish a dedicated manufacturing line at its manufacturing facility for our products. The agreement with Minntech has a term of three years, commencing after the date of the first shipment of commercial quantities of our product and provides for one year renewals. Our first shipment of commercial quantities occurred in September 2007. The agreement may be terminated by either of the parties upon ninety days notice.

Our agreement with Minntech also includes dedicated warehousing facilities and distribution services for our products. Additionally, we may elect to utilize other customer and technical services offered by Minntech and we have the ability to expand our relationship with Minntech to take advantage of Minntech's international manufacturing capabilities.

We believe that Minntech has the capabilities to continue to meet our volume requirements and specifications through the next several years and until we are ready to conduct our own in-house manufacturing and/or identify another contract manufacturer. All lots of product produced are subject to quality assurance standards established by EnviroSystems and Minntech provides a Certificate of Analysis with each lot produced, certifying inspection results and quality standards compliance. Additionally, we monitor vendor testing of raw materials and review production records to ensure EnviroSystems' procedures and specifications are followed throughout production.

Our cleansing wipes are manufactured by Diamond Wipes, headquartered in Ontario, CA.

Future Possible Self Manufacture Capability

Upon achieving sufficient levels of sales and revenues, we may pursue the development of in-house manufacturing capabilities which we believe might reduce our cost of goods sold and improve our control over our trade secrets. We believe that such a facility would cost approximately $2 million to develop and require approximately 20,000 to 80,000 square feet. Any such facility that we developed would also include quality assurance and research and development facilities in addition to manufacturing facilities adequate to produce our products.

Research and Development

During our most recent fiscal year, we have devoted approximately $500,106 to research and development activities, much of which have been focused on returning our hospital grade product to the market. While the return of the hospital grade product is our clear priority, we have ongoing development programs focused on expanding our chemical emulsion product platform. We remain opportunistic regarding synergistic product line extensions and we are pursing next generation disinfectants as well as a line of soaps, cleansers and hand sanitizers including products based on essential oils

Government Regulation

Products that make biocide claims are regulated by either the United States Environmental Protection Agency ("EPA") or the United States Food and Drug Administration ("FDA"). Generally the line of demarcation is the intended use of the biocide; those used on inanimate objects are regulated by the EPA and those intended for use on living beings are regulated by the FDA. Disinfectant products such as ours are classified as "pesticides" and are subject to regulation by the United States Environmental Protection Agency ("EPA"), pursuant to the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) as amended by the Food Quality Protection Act (FQPA) of 1996. FIFRA generally requires that before any person can sell or distribute any pesticide in the United States, they must obtain a registration from the EPA. After completing the registration process and submission of all required data, an applicant's proposed product label is stamped when accepted by EPA and returned to the registrant for use upon the registered product package. Anyone who sells/distributes a pesticide (including antimicrobial products) also must register that product in every state in which they intend to sell/distribute the product.

Facilities at which a pesticide is produced also must be listed with the EPA. Upon registration, an establishment number is assigned. Annual pesticide production reports are required to be submitted to the EPA and other books and records must be maintained indicating the amount produced, repackaged/relabeled for the past year, amount sold/distributed for the past year within and outside of the U.S., and the amount to be produced/repackaged/ relabeled for the current year. Pesticide maintenance fees are required for registered products. Failure to pay registration and annual maintenance fees or provide necessary test data when requested by the EPA could result in the cancellation of an EPA registration.

EPA regulations also require registrants to report to the EPA new information concerning adverse effects associated with their products.

Three (3) of our products are registered with the United States Environmental Protection Agency and have EPA registered labels and have been assigned EPA Registration Nos. 70791-1 and 70791-2. They are EcoTru®, EnviroTru®, and EnviroTru® 1453. In addition, EnviroTru® and EnviroTru® 1453 are registered in all of the 50 States in the United States, the District of Columbia and Puerto Rico.

The FDA is an agency of the United States Department of Health and Human Services and is responsible for the safety regulation of most types of foods, dietary supplements, drugs, vaccines, biological medical products, blood products, medical devices, radiation-emitting devices, veterinary products, and cosmetics.

We have one current product cleared by the FDA, EquineTru® Skin & Hoof Treatment. EquineTru® was reviewed and cleared for market use by the Center for Veterinary Medicine (CVM); the branch of the FDA which regulates food, food additives, and drugs that are given to animals, including food animals and pets.

Like the EPA, facilities that produce drugs must be listed with the FDA and are open to inspection. FDA regulations also require producers to report information concerning adverse effects associated with their products.

Foreign Regulation

Although to date we have not had substantial international sales of our products, when we do sell products in foreign jurisdictions, we will be subject to foreign regulations. We expect that we will have to register our products in other foreign jurisdictions before we can realize substantial sales in such jurisdictions. Compliance with foreign requirements could require substantial expenditures and effort.

Competition

The market for products such as ours is highly competitive and we face competition from a number of companies, most of which have substantially greater brand name recognition and financial, research and development, production and other resources than we do.

C*onsumer, Institutional, Hospitality and Military*

In the consumer and institutional markets our primary competitors include Johnson & Johnson, Ecolab, Inc., Clorox, Sensible Life Products, and Proctor & Gamble, and others all of which have products with recognized national brands that include Clorox, Lysol, Pine Sol, and industry specific products. Products used in the consumer markets and certain institutional markets like the hospitality industry generally compete based upon price. To date, relatively higher per unit costs of our product as compared to our competitors has limited our ability to compete in these markets. We believe an increased awareness of the need for safer biocides with environmentally correct profiles will aid our principal competitive advantages; comparatively favorable toxicity profile, efficacy, and environmental profile.

Oil and Gas

There are 34 dominant major oilfield chemical suppliers, led by the likes of Dow Chemical, BASF and Rhodia, with a remaining fragmented set of smaller competitors. Current competitive products are conventional biocides: Glutaraldehydes, Sodium hypochlorite (bleach) and chlorine dioxide. All are toxic and not eco-friendly. Electrochemically activated salt water has been used and is available; a green technology, but expensive. The relevant trend is toward a reduction in the use of toxic biocides as increased environmental regulations make biocide applications more and more costly, and the potential for regulation requiring “greener” biocides a real possibility.

Animal Care

Our EquineTru® Skin & Hoof Treatment product competes in a market occupied by a wide range of large and small companies. Products in this market are largely sold through catalogs and by way of endorsements and word-of-mouth. To compete in this market, we must establish ourselves as a known entity and gain credibility, a process that we expect to be slow. However, we believe that because of our product’s toxicity profile we have the advantage of offering one product for both skin and hoof conditions. Many hoof care products are too toxic to use on the skin.

Healthcare

Our competitors in the Healthcare market include Johnson & Johnson, Clorox, STERIS Corporation, Caltech Industries, Sybron Dental Specialties, Inc., Reckitt Benkiser, Sensible Life Products, and Ecolab, Inc.

We believe that few competitive products have the same low-toxicity classifications assigned by the EPA to proprietary EcoTru® formulation, as well as the efficacy against a broad range of microorganisms and virulent pathogens that EcoTru®'s reissued labeling is expected to reflect.

Personal Care

Smaller companies typically account for less than 15% of sales in the liquid soap category while the consumer hand sanitizer category is dominated by the Purell (Pfizer) brand and Dial. Private label products represent a third of sales. Purell (GoJo) currently owns the institutional side of the market.

ESI’s planned KeraTru™ is expected to compete against current products based on greater effectiveness a lack of reactions and increased safety for kids. Alcohol-based products lose their effectiveness within seconds of being applied to the skin; KeraTru™ hand products remain active well after being applied and leaves the skin feeling soft. KeraTru™ hand products are also antiseptic and hypoallergenic, benefits not included with alcohol-based products. Finally, an alcohol-free, rinse free, and fragrance free KeraTru™ hand sanitizer is non-toxic and not dangerous for kids or adults (when properly applied).

Competitive Advantage.

Though there are many disinfectant products that are EPA-registered, when used as directed, the majority of these products incorporate chemicals that can be toxic, corrosive and potentially damaging to the environment. ESI eliminates the effectiveness-safety trade-off faced by consumers in the current market place.

Through a proprietary formulation method using parachlorometaxylenol (PCMX), the company offers effective disinfecting solutions with active ingredient concentration levels at one-to-two orders of magnitude lower than those of other disinfectants, eliminating any toxic or corrosive effects.

Unlike many competing products, ESI's PCMX based chemical emulsion products do not require special handling or precautions, including no precautions for skin, eye, pulmonary, oral or dermal irritation. Additionally, products are nonflammable and environmentally responsible.

Intellectual Property

We have not applied for patent protection for our proprietary PCMX formulation or for our micro-emulsion technology and instead rely upon trade secret protection for protection of our formula, formulation, micro-emulsion technology and manufacturing process. We continue to review our intellectual property protection policy and have evaluated the use of patent versus trade secret protection for our intellectual property. While we chose not to apply for patents on our formulation or micro-emulsion technology, in the future we may seek other available patent protection. In addition, based upon our review of industry practice, we determined that it is more common to rely upon trade secret protection, rather than patents to protect intellectual property, particularly when such intellectual property involves processes such as ours. We have instituted strict internal procedures to protect the trade secrets and have confidentiality and non-disclosure agreements in place with our current contract manufacturers as well as our potential new manufacturing partner.

We will continue to evaluate our current trade secret protection and may decide in the future, if available, to submit use or design patents in certain areas that will not require us to disclose the trade secrets that give our chemical emulsion products or future potentially patentable derivative products a competitive advantage. For example, we have several pending patent application for new product formulas that are produced through more traditional processes than our chemical emulsion technology. In addition, we submitted both the early and the current versions of EcoTru® to a major U.S. de-formulation laboratory to see if they could reverse engineer our products. Despite their best efforts to reverse engineer our product, they were not able to provide us with an accurate report of the micro-emulsion ingredients or manufacturing process. As new products are brought to market, we intend to carefully analyze each for the methodology to be employed in protection of the intellectual property.

Pursuant to an Intellectual Property Assignment Agreement, effective as of July 30, 1996, between EnviroSystems, American Children's Foundation, Richard M. Othus, Andrew D.B. Lambie and Cascade Chemical Corporation, each of American Children's Foundation, Mr. Othus, Mr. Lambie and Cascade Chemical Corporation irrevocably assigned to us all of their rights to the chemical formula which we use in the manufacture of our product. In consideration thereof, we agreed to pay to each of Messrs. Othus and Lambie a royalty equal to 0.25% of gross revenues received by us from sales of our products throughout the world, less credits and returns, for as long as we sell products which embody the assigned formula.

Our products are sold under a variety of trademarks and trade names. We own all of the trademarks and trade names we believe to be material to the operation of our business. EcoTru® is currently registered in the United States, Japan, and Taiwan. We expect to file additional registrations in the European Union countries and Canada. Likewise we have filed to register EnviroTru®, EquineTru®, SurfaceTru™ KeraTru™, GeoTru™ and Anpath.

Except for the trademarks referred to above, we do not believe any single trademark is material to the operations of our business as a whole.

Employees

As of March 31, 2009, we had a total of 5 full time employees. None of our employees are represented by a trade union. We anticipate hiring additional full time employees within the next twelve months.

Customers

We have traditionally sold the majority of our products to customers in the healthcare industry, including hospitals, dental offices, physicians' offices, reference laboratories, long term care facilities and veterinary offices. In addition, we also have also sold our products to the aviation industry, janitorial industry, local and federal government, education and customers in the hospitality industry. For the fiscal year ended March 31, 2009, sales to our top ten customers represented approximately 98.58%.

Sales, Marketing, Distribution

Our strategy has been to market and sell our products primarily through third party distributors and to a lesser extent through direct sales. For the twelve months ended March 31, 2009, sales through distributors accounted for approximately 43.72% of our sales. We have entered into distribution agreements with distributors that service the industry segments that we have targeted for sales of our products. In the transportation industry, we have entered into a distribution agreement with Andpak, a distributor to the aviation industry which markets our EnviroTru™ 1453 and SurfaceTru™ cleaning wipes to the same industry.

We have also entered into distribution agreements with distributors to market our products outside of the United States. To date we have had minimal international sales of our products. However, recent sales to both the Korean and Japanese markets are encouraging.

Our direct sales efforts were traditionally focused on healthcare facilities. More recently we have emphasized those locations that require a disinfectant/cleaner with a strong efficacy and safety profile, such as transit systems, schools, government facilities and green buildings. Our efforts are intended primarily to help gain market acceptance, attract major distributors and establish our Company branding. For the twelve months ended March 31, 2009, direct sales to customers accounted for 38.87% of our sales.

The majority of our products are shipped to customers from our contract manufacturers' facilities in Minneapolis, MN and Morgan Hill, CA. We use third party carriers to deliver our products. From time to time, we will arrange for shipments directly from our contract manufacturer.

Insurance Matters

We maintain a general business liability policy and other coverage specific to our industry and operations. We also maintain general products liability coverage and directors and officers liability coverage. We believe that our insurance program provides adequate coverage for all reasonable risks associated with operating our business.

Corporate History

We were incorporated in the State of Delaware in August 2004, and prior to January 10, 2006, we had no material assets and/or operations. Effective January 10, 2006, we acquired EnviroSystems, Inc. in a reverse merger transaction. In connection therewith, we issued to the preferred stockholders of EnviroSystems 6,400,000 shares of our common stock in exchange for all of the issued and outstanding preferred stock of EnviroSystems. See "Description of the Merger" below. Effective as of January 10, 2006 our business became that of EnviroSystems. On January 12, 2007, we amended our certificate of incorporation to change our name from Telecomm Communications, Inc. to Anpath Group, Inc. to more closely align our name with our business.

EnviroSystems was incorporated in the State of Nevada in 1996 and historically its business has been the development, marketing and distribution of cleaning and disinfecting products intended to reduce the spread of infectious disease without adverse effects to people, equipment or the environment. EnviroSystems' products were sold into the healthcare, aviation, government and marine industry segments.

The Merger

Effective January 10, 2006, pursuant to the terms of an Agreement and Plan of Merger (the "**Merger Agreement**"), dated as of November 11, 2005 between us, our wholly owned subsidiary TSN Acquisition Corporation and ESI TSN merged with and into ESI with ESI as the surviving corporation (the "**Merger**").

Pursuant to the terms of the Merger Agreement, we issued an aggregate of 6,400,000 shares of our restricted common stock to the holders of ESI preferred stock (including holders of options and warrants to purchase ESI preferred stock), which we refer to herein collectively as the "ESI Security holders." Each outstanding share of EnviroSystems common stock was cancelled and extinguished in connection with the Merger. The shares of common stock issued in connection with the merger were issued in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act of 1933, as amended (the "Securities Act") and corresponding provisions of state securities laws, which exempts transactions by an issuer not involving any public offering.

ESI Preferred Stock Conversion

Immediately prior to the Merger, the ESI preferred stockholders held 2,524,472 shares of ESI preferred stock and warrants and options to purchase up to an additional 838,850 shares of ESI preferred stock, for an aggregate of 3,363,322 shares of ESI preferred stock on a fully diluted basis. All of such preferred shares, including preferred shares underlying options and warrants, were exchanged for 6,400,000 shares of our common stock. Accordingly, of the 6,400,000 shares of our common stock issued in the Merger, 4,833,469 shares represented shares issued in exchange for shares of preferred stock, 583,201 shares represented shares of common stock issuable upon the exercise of warrants to purchase ESI preferred stock and 983,329 shares represented shares issuable upon the exercise of options to purchase ESI preferred stock.

Escrow and Lock-Up Agreement/Settlement Agreement

All 6,400,000 shares of our common stock were placed in an escrow account to be held according to the terms of an escrow and lock-up agreement (the "**Escrow and Lock-Up Agreement**"). Pursuant to the terms of the Escrow and Lock-Up Agreement, if any options or warrants to purchase ESI preferred stock expire unexercised, the shares of our common stock that would have been issued to such holders upon exercise were allocated pro-rata among the remaining ESI preferred stockholders.

The Escrow Lock-Up Agreement provided that for a period of one year after the closing of the Merger, the shares of common stock held in escrow (the "**Escrow Shares**") were available to satisfy indemnification obligations, if any, of the ESI Security holders under the Merger Agreement to us and to MV Nanotech Corp. as indemnified parties. Pursuant to the terms of the Escrow and Lock-Up Agreement, in the event that an indemnified party incurred losses as a result of a breach of any covenants, agreements, representations or warranties in the Merger Agreement, then such party has the right to require the ESI Security holders to deliver out of the escrow account to such indemnified party that number of Escrow Shares equal in value to the amount of damages.

In November 2006 we elected to exercise our right to seek indemnification and sent to representatives of the ESI preferred stockholders, a Claim Notice for indemnification under the Escrow and Lock-Up Agreement seeking the return of all 6,400,000 Escrow Shares. In July 2007, we settled our claim and entered into a settlement agreement (the "**Settlement Agreement**"), dated as of July 6, 2007 between us, MV Nanotech Corp. ("MV Nanotech"), The Ferguson Living Trust UTD 8/13/74 (the "**Ferguson Trust**") and Daniel Ferguson in his capacity as the shareholder agent (the "**Shareholder Agent**"), pursuant to which we resolved any and all claims that we or MV Nanotech may have had against the ESI Security holders or the Escrow Shares with respect to our Claim Notice. Pursuant to the terms of the Settlement Agreement, the Ferguson Trust authorized the escrow agent to return to us for cancellation 2,500,000 Escrow Shares. Upon cancellation of the 2,500,000 Escrow Shares, we issued the Ferguson Trust a warrant to purchase 2,500,000 shares of our common stock at an exercise price of $2.70 per share. In addition, the Ferguson Trust entered into a lock-up agreement (the "**Lock-Up Agreement**"), pursuant to which the Ferguson Trust agreed not to sell or otherwise transfer any shares of our common stock, including common stock issuable upon exercise of such options or warrants owned by the Ferguson Trust for a period of 12 months from the date of the Lock-Up Agreement without our prior written consent.

Immediately following the execution and delivery of the Settlement Agreement, we and the Shareholder Agent instructed the Escrow Agent to immediately release and deliver to the ESI Security holders certificates representing the remaining Escrow Shares held pursuant to the Escrow Agreement (other than shares required to be held by the Escrow Agent for issuance upon exercise of any options or warrants to purchase ESI preferred stock which shall be otherwise released to the appropriate party and at the time specified in the Merger Agreement and Escrow and Lock-Up Agreement). In connection with the settlement and the release of the Escrow Shares, holders of approximately one million Escrow Shares have entered into lock-up agreements pursuant to which they have agreed not to sell the shares of common stock for periods of either 12 to 24 months without our prior consent.

As of March 31, 2009, approximately 1,701,703 shares remained in escrow consisting of 3,914 shares issuable upon the exercise of warrants to purchase shares of ESI preferred stock and 136,187 shares issuable upon the exercise of options to purchase ESI preferred stock, and 1,561,602 shares of common stock which will be released upon receipt of transfer documents from the persons who will be receiving such shares.

Under the Escrow Lock-Up Agreement, the ESI Security holders are entitled to vote the Escrow Shares on all matters brought to a vote of our stockholders and shall be entitled to receive dividends, if and when declared, on our common stock and have the right to demand registration of their share of common stock if, after the release of the shares of common stock, such shares are not freely tradable.

ITEM 1A. RISK FACTORS.

You should carefully consider the following risk factors and the other information included herein before investing in our common stock. If any of the following risks occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you could lose all of your investment.

Risks Related To Our Business

Our products will continue to be subject to periodic random inspection and testing by the EPA and we cannot assure that such tests will not result in further EPA letters of inquiry or other actions.

Our products will continue to be subject to periodic inspection and testing by the EPA and other authorities, where applicable, and must comply at all times with the EPA and state regulations. If we fail an EPA inspection and/or test, or otherwise fail to comply with statutory and regulatory requirements we could be subject to possible legal or regulatory action, such as suspension of sales, suspension of manufacturing, and seizure of products or voluntary recall of products. Further, such a failure could result in the imposition of market restrictions through labeling changes or in product removal. If compliance with regulatory requirements is not maintained or if problems concerning safety or effectiveness of our products occur following reauthorization by the EPA our ability to market our products may be withdrawn. Further, if products selected for random testing by the EPA have not been properly stored, then the EPA tests may result in a finding that our products do not meet the efficacy standards on our labels. If EPA testing results in findings that our products do not meet EPA standards, it could have a material adverse effect on our business, reputation and results of operation.

We have not applied for patents on our proprietary technology and instead rely upon trade secret protection to protect our intellectual property; it may be difficult and costly to protect our proprietary rights and we may not be able to ensure their protection.

We have not applied for patent protection for our proprietary formulas and micro-emulsion technology and have decided instead to rely upon trade secret protection to protect such intellectual property. Trade secrets are difficult to protect and while we use reasonable efforts to protect our trade secrets, we cannot assure that our employees, consultants, contractors or scientific advisors will not, unintentionally or willfully, disclose our trade secrets to competitors or other third parties. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. If we are unable to defend our trade secrets from illegal use, or if our competitors develop equivalent knowledge, it could have a material adverse effect on our business.

Any infringement of our proprietary rights could result in significant litigation costs, and any failure to adequately protect our proprietary rights could result in our competitors' offering similar products, potentially resulting in loss of a competitive advantage and decreased revenue. Existing patent, copyright, trademark and trade secret laws afford only limited protection. In addition, the laws of some foreign countries do not protect our proprietary rights to the same extent as do the laws of the United States. Therefore, we may not be able to protect our proprietary rights against unauthorized third party use. Enforcing a claim that a third party illegally obtained and is using our trade secrets could be expensive and time consuming, and the outcome of such a claim is unpredictable. Litigation may be necessary in the future to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of the proprietary rights of others. This litigation could result in substantial costs and diversion of resources and could materially adversely affect our future operating results.

Potential claims alleging infringement of third party's intellectual property by us could harm our ability to compete and result in significant expense to us and loss of significant rights.

From time to time, third parties may assert patent, copyright, trademark and other intellectual property rights to technologies that are important to our business. Any claims, with or without merit, could be time-consuming, result in costly litigation, divert the efforts of our technical and management personnel, cause product shipment delays, disrupt our relationships with our customers or require us to enter into royalty or licensing agreements, any of which could have a material adverse effect upon our operating results. Royalty or licensing agreements, if required, may not be available on terms acceptable to us. If a claim against us is successful and we cannot obtain a license to the relevant technology on acceptable terms, license a substitute technology or redesign our products to avoid infringement, our business, financial condition and results of operations would be materially adversely affected.

To date we have had significant operating losses, an accumulated deficit and have had limited revenues and do not expect to be profitable for at least the foreseeable future, and cannot predict when we might become profitable, if ever.

We have been operating at a loss each year since our inception, and we expect to continue to incur substantial losses for the foreseeable future. As of March 31, 2009, we had an accumulated deficit of approximately $28,921,873. We also have had limited revenues. Revenues for the twelve months ended March 31, 2009 and March 31, 2008, were $85,969 and $115,284, respectively. Further, we may not be able to generate significant revenues in the future. In addition, we expect to incur substantial operating expenses in order to fund the expansion of our business. As a result, we expect to continue to experience substantial negative cash flow for at least the foreseeable future and cannot predict when, or even if, we might become profitable. We will need to generate significant revenues in order to achieve and maintain profitability. We may not be able to generate sufficient revenue to fund our operations or achieve profitability in the future. Even if we do achieve profitability, we may not be able to sustain or increase profitability. If we are not able to generate revenues sufficient to fund our operations through product sales or if we are not able to raise sufficient funds through investments by third parties, it could result in our inability to continue as a going concern and, as a result, our investors could lose their entire investment.

We operate in a highly regulated industry, which may delay the introduction of new products, cause withdrawal of products from the market, and have other adverse consequences.

Pursuant to applicable environmental and safety laws and regulations, we are required to obtain and maintain certain governmental permits and approvals for our products. Permits and approvals may be subject to revocation, modification or denial under certain circumstances. While we believe we are in compliance in all material respects with such environmental and safety laws, there can be no assurance that our operations or activities will not result in administrative or private actions, revocation of required permits or licenses, or fines, penalties or damages, which could have an adverse effect on us. In addition, we cannot predict the extent to which any legislation or regulation may affect the market for our products or our cost of doing business. See “Business - Government Regulation.”

We have relied almost entirely on external financing to fund our operations and acquisitions to date.

Because we have never generated meaningful revenue and currently operate at a loss, we are completely dependent on the continued availability of financing in order to continue our business. There can be no assurance that financing sufficient to enable us to continue our operations will be available to us. Our failure to obtain financing or to produce levels of revenue to meet our financial needs could result in our inability to continue as a going concern and, as a result, our investors could lose their entire investment.

We may need to raise capital to fund our operations, and our failure to obtain funding when needed may force us to delay, reduce or eliminate our product development efforts.

If in the future, if we are not capable of generating sufficient revenues from operations and our capital resources are insufficient to meet future requirements, we may have to raise funds to continue the commercialization, marketing and sale of our products. We cannot be certain that funding will be available on acceptable terms, or at all. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. Any debt financing, if available, may involve restrictive covenants that impact our ability to conduct our business. If we are unable to raise additional capital if required or on acceptable terms, it may have to significantly delay, scale back or discontinue the development and/or commercialization of one or more of our products, restrict our operations or obtain funds by entering into agreements on unattractive terms.

Our independent registered auditors have expressed doubt about our ability to continue as a going concern.

Our audited financial statements for the fiscal years ended March 31, 2009 and 2008, each included an explanatory footnote that such financial statements were prepared assuming that we would continue as a going concern.

We rely upon third party manufacturers to produce our products which make us vulnerable to supply disruption, which could harm our business.

We rely upon third party manufactures to produce our products. If our third party manufactures are unable to provide us with our products in quantities we require or that meet our specifications, or if they raise their prices it could have a material adverse effect on our sales and results of operation. In addition, in the event of any of the foregoing, we could be required to seek new manufactures. In such event, we cannot assure that we will find alternative third party manufactures who will supply us with our products on similar economic terms, which could increase our costs of goods sold and have an adverse effect on our sales and results of operations.

In addition, if our manufactures encounter problems during manufacturing as a result of, among other things, failure to follow our protocols and procedures, failure to comply with applicable regulations, or equipment malfunction, any of which could delay or impede their ability to meet our demand, it could have a material adverse effect on our business. Further, any interruption or delay in the supply of products or our inability to obtain such goods from alternate sources at acceptable prices in a timely manner, could impair our ability to meet our customers demand and cause them to cancel orders or switch to competitive products, which would harm our business.

We rely upon a single supplier for parachlorometaxylenol (PCMX), the active ingredient in our products.

We rely upon a single supplier, Clariant Corporation, to provide us with PCMX, which is the biocide used in our products. Clariant Corporation is one of the largest suppliers of PCMX in the United States. If Clariant Corporation is unable to supply us with PCMX in the quantities and on the economic terms that we require, it could have a material adverse effect on our business. We have no written agreement with Clariant.

We lack sales, marketing and distribution capabilities and depend on third parties to market our product.

We do not have an internal sales organization dedicated solely to sales and marketing of our product and therefore we must rely upon third party distributors to market and sell our product. These third parties may not be able to market our product successfully or may not devote the time and resources to marketing our product that we require. We also rely upon third party carriers to distribute and deliver our product. As such, our deliveries are to a certain extent out of our control. If we choose to develop our own sales, marketing or distribution capabilities, we will need to build a marketing and sales force with technical expertise and with supporting distribution capabilities, which will require a substantial amount of management and financial resources that may not be available. If we or a third party are not able to adequately sell and distribute our product, our business will be materially harmed.

We may face product liability for the products we manufacture and sell.

Manufacturing, marketing and sale of our products may subject us to product liability claims. We currently have insurance coverage against product liability risks up to an aggregate annual limit of approximately $1,000,000**.** However, such insurance coverage may not be adequate to satisfy any liability that may arise. Regardless of merit or eventual outcome, product liability claims may result in decreased demand for a product, injury to our reputation and loss of revenues. As a result, regardless of whether we are insured, a product liability claim or product recall may result in losses that could be material to us.

Substantially all of our operations are conducted at a single location. Any disruption at our facility could adversely affect our operations and increase our expenses.

Substantially all of our operations are currently conducted at a single location in Mooresville, South Carolina. We take precautions to safeguard our facility, including insurance, health and safety protocols. However, a natural disaster, such as a fire, flood or earthquake, could cause substantial delays in our operations, damage or destroy our books and records, computer systems, or inventory, and cause us to incur additional expenses. The insurance we maintain against fires, floods, earthquakes and other natural disasters may not be adequate to cover our losses in any particular case.

We depend upon third parties to sell our product both in the United States and internationally and if we are unable to establish sufficient sales and marketing capabilities or enter into and maintain appropriate arrangements with third parties to sell, market and distribute our product, our business will be harmed.

We depend upon third parties to sell our product both in the United States and internationally. To achieve commercial success, we must develop sales and marketing capabilities and enter into and maintain successful arrangements with others to sell, market and distribute our products. If we are unable to establish and maintain adequate sales, marketing and distribution capabilities, independently or with others, we may not be able to generate product revenue and may not become profitable. If our current or future partners do not perform adequately, or we are unable to locate or retain partners, as needed, in particular geographic areas or in particular markets, our ability to achieve our expected revenue growth rate will be harmed.

We face competition in our markets from a number of large and small companies, some of which have greater financial, research and development, production and other resources than we have.

Our products face competition from products which may be used as an alternative or substitute therefore. In addition we compete with several large companies in the disinfectant business. To the extent these companies, or new entrants into the market, offer comparable disinfectant products at lower prices, our business could be adversely affected. Our competitive position is based principally on our micro-emulsion technology, product quality and product safety. Our competitors can be expected to continue to improve the design and performance of their products and to introduce new products with competitive performance characteristics. There can be no assurance that we will have sufficient resources to maintain our current competitive position. See “Business - Competition.”

We may not be able to manage our growth effectively, which could adversely affect our operations and financial performance.

The ability to manage and operate our business as we execute our development and growth strategy will require effective planning. Significant growth could strain our internal resources and could adversely affect our financial performance. We expect that our efforts to grow will place a significant strain on our personnel, management systems, infrastructure and other resources. Our ability to manage future growth effectively will also require us to successfully attract, train, motivate, retain and manage new employees and continue to update and improve our operational, financial and management controls and procedures. If we do not manage our growth effectively, our operations could be adversely affected, resulting in slower growth and a failure to achieve or sustain profitability.

Our future success depends on retaining our existing key employees and hiring and assimilating new key employees. The loss of key employees or the inability to attract new key employees could limit our ability to execute our growth strategy, resulting in lost sales and a slower rate of growth.

Our success depends in part on our ability to retain key employees including our executive officers. We have only entered into an employment agreement with one of our executives. Also, we do not currently carry "key man" insurance on our executives but intend to obtain it in the near future. It would be difficult for us to replace any one of these individuals. In addition, as we grow we may need to hire additional key personnel. We may not be able to identify and attract high quality employees or successfully assimilate new employees into our existing management structure.

We cannot predict the impact of our proposed marketing efforts. If these efforts are unsuccessful we may not earn enough revenue to become profitable.

Our success will depend on investing in marketing resources and successfully implementing our marketing plan. Our proposed business plan includes hiring marketing personnel and a dedicated sales force and developing a comprehensive marketing plan for our product. Such a marketing plan may include attending trade shows and making private demonstrations, advertising and promotional materials, advertising campaigns in both print and broadcast media, and advertising/promotion-related operations. We cannot give any assurance that these marketing efforts will be successful. If they are not, revenues may be insufficient to cover our fixed costs and we may not become profitable.

Our business was acquired in January 2006, which means that we have a limited operating history upon which you can base your investment decision.

Prior to January 2006, we were a shell company with no operations and minimal assets. In January 2006, we acquired EnviroSystems and, as a result, our business became that of EnviroSystems. Accordingly, we have a limited operating history upon which an evaluation of our prospects can be made. Our strategy is unproven and the revenue and income potential from our strategy is unproven. We may encounter risks and difficulties frequently encountered by companies that have grown rapidly through acquisition, including the risks described elsewhere in this section. Our business strategy may not be successful and we may not be able to successfully address these risks. If we are unsuccessful in the execution of our current strategic plan, we could be forced to reduce or cease our operations.

Relationship with Principal Stockholders

Four holders of our common stock beneficially own approximately 42% of our common stock (assuming exercise of warrants). As a result, such persons will have substantial influence in all matters requiring a vote of our stockholders. This concentration of ownership could also have the effect of delaying or preventing a change in our control or discouraging a potential acquirer from attempting to obtain control of us, which in turn could have a material adverse effect on the market price of the common stock or prevent our stockholders from realizing a premium over the market price for their shares of common stock.

Our business may be affected by factors outside of our control.

Our ability to increase sales, and to profitably distribute and sell our products, is subject to a number of risks, including changes in our business relationships with our principal distributors, competitive risks such as the entrance of additional competitors into our markets, pricing and technological competition, risks associated with the development and marketing of new products in order to remain competitive and risks associated with changes in demand for disinfectants which can be affected by economic conditions, health care reform and government regulation.

As a result of our sale of Notes in April through June 2009, we have incurred significant additional indebtedness and if we are unable to generate sufficient cash flow from which to make payments on the Notes or out other indebtedness, we will be required to seek additional financing.

As a result of our sale of Notes in April through June 2009, we incurred indebtedness of $895,000 in addition to our prior outstanding indebtedness of $1,758,210. The degree to which we are leveraged could, among other things:

- make it difficult for us to make payments on our Notes and other indebtedness;
- make it difficult for us to obtain financing for working capital, acquisitions or other purposes on favorable terms, if at all;
- make us more vulnerable to industry downturns and competitive pressures; and
- limit our flexibility in planning for, or reacting to changes in, our business.

We expect to incur substantial net operating losses for the foreseeable future and we may not have sufficient funds to pay any amounts due on any or all of our indebtedness. If we are unable to pay the amounts due on our indebtedness, we may be required to refinance all or a portion of the Notes and our other indebtedness or seek additional financing. There can be no assurance that we will be able to refinance any of our indebtedness or obtain additional financing on commercially reasonable terms, if at all. If we are required to refinance our indebtedness or seek additional financing, we may be required to severely curtail or cease our operations.

Risks Related To Our Common Stock

If we fail to remain current in our reporting requirements, our common stock could be removed from the OTC Bulletin Board which would limit the ability of broker-dealers to sell our securities and the ability of our stockholders to sell their common stock in the secondary market.

In order for an issuer to have its securities quoted on the OTC Bulletin Board, it must be required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended. Thereafter, in order to maintain price quotation privileges on the OTC Bulletin Board, issuers are required to file complete annual and quarterly reports in a timely fashion. An issuer whose securities are quoted on the OTC Bulletin Board that fails to file a complete annual or quarterly by the applicable due date for such report three times within a two year period, will have its securities removed from the OTC Bulletin Board and will be ineligible to have their securities quoted on the OTC Bulletin Board for a one year period. If we fail to remain current on our reporting requirements for the next two years, we will be removed from the OTC Bulletin Board. As a result, the market liquidity for our securities could be severely adversely affected by limiting the ability of broker-dealers to sell our securities and the ability of stockholders to sell their securities in the secondary market.

The price of our common stock may fluctuate significantly, which could lead to losses for stockholders.

The securities of public companies can experience extreme price and volume fluctuations, which can be unrelated or out of proportion to the operating performance of such companies. We expect our common stock price will be subject to similar volatility. Any negative change in the public's perception of the prospects of our company or companies in our market could also depress our common stock price, regardless of our actual results. Factors affecting the trading price of our common stock may include:

- regulatory actions;
- variations in our operating results;
- announcements of technological innovations, new products or product enhancements, strategic alliances or significant agreements by us or by our competitors;
- recruitment or departure of key personnel;
- litigation, legislation, regulation or technological developments that adversely affect our business;
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to follow our common stock; and
- market conditions in our industry, the industries of our customers and the economy as a whole.

If securities analysts do not publish research or reports about our business or if they downgrade our stock, the price of our stock could decline.

The trading market for our common stock may be affected by research and reports that industry or financial analysts may in the future publish about us or our business, over which we will have no control. There are many large, well-established publicly traded companies active in our industry and market, which means it will unlikely that we will receive widespread, if any, analyst coverage. Furthermore, if one or more of the analysts who in the future elect to cover us, downgrade our stock, our stock price would likely decline rapidly.

We have no intention to pay dividends on our common stock.

For the foreseeable future, we intend to retain future earnings, if any, to finance our operations and do not anticipate paying any cash dividends with respect to our common stock. As a result, investors should not expect to receive dividends on any of the shares of our common stock purchased by them, for a long period of time, if ever.

Our common stock is quoted on the OTC Bulletin Board and there may be a limited trading market for our common stock.

Our common stock is quoted on the OTC Bulletin Board. There is extremely limited and sporadic trading of our common stock and no assurance can be given, when, if ever, an active trading market will develop or, if developed, that it will be sustained. As a result, investors in our common stock may be unable to sell their shares.

Future issuances of shares of our common stock pursuant to the exercise of options and warrants and conversion of convertible securities may decrease the market price of our common stock.

As of March 31, 2009, we had 16,203,654 shares of common stock outstanding, which includes 3,914 shares issuable upon the exercise of warrants and 136,187 shares issuable upon the exercise of options held in escrow which are issuable to holders of warrants and options to acquire EnviroSystems preferred stock. If such options and/or warrants expire unexercised, the shares of common stock issuable to such holders will be distributed pro rata among the EnviroSystems Security holders. We also have 637,500 shares of common stock issuable upon exercise of warrants issued in our January Offering, 2,800,000 shares of common stock issuable upon the exercise of warrants originally issued to MV Nanotech Corp., 2,500,000 shares of common stock issuable upon exercise of a warrant issued pursuant to our Settlement Agreement, 1,500,000 shares of common stock issuable upon exercise of warrants issued pursuant to a financing agreement with ANPG Lending, LLC and 1,790,000 shares of common stock issuable upon the exercise of warrants issued in April through June 2009. In addition, the Notes issued in April through June 2009 are convertible into up to 1,790,000 shares of common stock. Further, we have up to an additional 3,700,000 shares of common stock reserved for future issuance under our 2004 Equity Compensation Plan and our 2006 Incentive Stock Plan. If any of our stockholders either individually or in the aggregate cause a large number of securities to be sold in the public market, or if the market perceives that these holders intend to sell a large number of securities, such sales or anticipated sales could result in a substantial reduction in the trading price of shares of our common stock and could also impede our ability to raise future capital.

The application of the "penny stock" rules could adversely affect the market price of our common stock and increase your transaction costs to sell those shares.

As long as the trading price of our common stock is below $5.00 per share, the open-market trading of our common stock will be subject to the "penny stock" rules. The penny stock rules impose additional sales practice requirements on broker-dealers who sell securities to persons other than established customers and accredited investors (generally those with assets in excess of $1 million or annual income exceeding $200,000 or $300,000 together with their spouses). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of securities and have received the purchaser's written consent to the transaction before the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the broker-dealer must deliver, before the transaction, a disclosure schedule prescribed by the Securities and Exchange Commission relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information on the limited market in penny stocks. These additional burdens imposed on broker-dealers may restrict the ability or decrease the willingness of broker-dealers to sell our common stock, and may result in decreased liquidity of our common stock and increased transaction costs for sales and purchases of our common stock as compared to other securities.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 2. PROPERTIES.

Facilities

Our principal executive offices are located at 116 Morlake Drive, Suite 201, Mooresville, North Carolina 28117. We entered into a lease for this space, which is approximately 2,800 square feet in June 2006. The original term of the lease was for two years commencing on August 15, 2006, with an option to renew for an additional two years. In August 2008, we exercise our option and renewed the lease. Rent is $5,200 per month, with no common charges. We have renegotiated our lease commitment and after July 31, 2009 we are free to relocate from our current offices, we are currently in the process of seeking less expensive alternative office space. As a result of current economic conditions we believe that we can significantly reduce our monthly cost for our executive offices.

In June 2006 we entered into a lease for a laboratory facility in Mentor, Ohio. The space is approximately 1,440 square feet. The lease has a two year term, commencing on August 1, 2006 and ending in June 2008 and the rent is $900 per month.

ITEM 3. LEGAL PROCEEDINGS.

We are not a party to any pending legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information

Since March 6, 2007, our common stock has traded on the OTC Bulletin Board under the stock symbol "ANPG." Prior thereto, our common stock had traded on the OTC Bulletin Board under the stock symbol "TNSW." The first day on which our shares were traded was September 1, 2005. The following table shows the reported high and low closing bid prices per share for our common stock based on information provided by the OTC Bulletin Board. The over-the-counter market quotations set forth for our common stock reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

	High	Low
Period from January 1, 2009 to March 31, 2009	$ 0.30	$ 0.15
Period from October 1, 2008 to December 21, 2008	$ 0.73	$ 0.24
Period from July 1, 2008 to September 30, 2008	$ 0.84	$ 0.50
Period from April 1, 2008 to June 30, 2008	$ 0.90	$ 0.50
Period from January 1, 2008 to March 31, 2008	$ 1.01	$ 0.55
Period from October 1, 2007 to December 31, 2007	$ 2.25	$ 0.91
Period from July 1, 2007 to September 30, 2007	$ 2.25	$ 1.60
Period from April 1, 2007 to June 30, 2007	$ 3.00	$ 1.80

Number of Stockholders

As of March 31, 2009, there were approximately 650 holders of record of our common stock.

Dividend Policy

Historically, we have not paid any dividends to the holders of our common stock and we do not expect to pay any such dividends in the foreseeable future as we expect to retain our future earnings for use in the operation and expansion of our business .

Recent Sales of Unregistered Securities

During the fiscal year ended March 31, 2009 we sold 113,636 shares of restricted common stock to OGP Group LLC, a Delaware limited liability company ("OGP") for aggregate consideration of $100,000 and issued to OGP a five year warrant to purchase up to an aggregate of 113,636 shares of our common stock at an exercise price of $0.88 per share pursuant to the terms of a Securities Purchase Agreement between us and OGP (the "Purchase Agreement"). The securities were issued in reliance on the exemption from registration afforded by Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder. We made this determination based on the representations by OGP to us in the Purchase Agreement that it was, among other things, an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act, and that it was acquiring such securities for investment purposes for its own account and not as a nominee or agent, and not with a view to resale or distribution, and that it understood such securities may not be sold or otherwise disposed of without registration under the Securities Act or an applicable exemption therefrom.

ITEM 6. SELECTED FINANCIAL DATA.

This item is not applicable because we are a smaller reporting company.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Consolidated Financial Statements and the related notes included in this report. Those statements in the following discussion that are not historical in nature should be considered to be forward-looking statements that are inherently uncertain. See "Forward-Looking Statements."

Overview

From our inception in August 2004, until our acquisition of EnviroSystems in a reverse merger transaction in January 2006, we had no material assets and/or business operations. As a result of the merger, EnviroSystems became our wholly owned subsidiary and our business became that of EnviroSystems. EnviroSystems was incorporated in the State of Nevada in 1996.

Through EnviroSystems, we produce disinfecting, sanitizing and cleaning products designed to help prevent the spread of infectious microorganisms, while minimizing the harmful effects to people, application surfaces and the environment. We have developed and have trade secret rights to what we believe to be a unique and proprietary Parachlorometaxylenol (more commonly known as PCMX).

We are exploiting our technology platform to establish a broad product portfolio in the following categories:

- Surface care products - disinfectants, sanitizers and cleaners (including wipes);
- Animal care products - skin and hoof care treatment and animal shampoo;
- Personal care products – antimicrobial hand soaps, hand sanitizers and facial scrubs (including wipes); and
- Geo-Biocides – biocides for use in the oil and gas industry.

Among our near-term priorities, we intend to continue to work to reintroduce a hospital grade disinfectant product to replace the product called EcoTru®. This product had historically been EnviroSystems' primary product and accounted for a majority of its revenue, but was removed from the market in 2006. The reformulated EcoTru® is expected to demonstrate through testing that it will effectively kill numerous bacteria, fungi, and viruses, including Hepatitis B and C, HIV, herpes and influenza. Likewise, in addition to being highly effective as a disinfectant, our reformulated EcoTru® is expected to occupy a unique position in the market place in that it will combine this microbial effectiveness in a disinfectant product which also will have a favorable profile for health and environmental effects.

Overview
Through our wholly-owned subsidiary EnviroSystems, Inc., we produce cleaning and disinfecting products that we believe will help prevent the spread of infectious microorganisms while minimizing the harmful effects to people, equipment or the environment.

Products. Our infection prevention products will target a United States market for infection prevention products and services estimated at $11.8 billion in 2009. It is further estimated that consumables/disposables constitute 91% of this market. The total global demand is believed to be approximately 3-3.5 times that of the U.S. The demand for disinfectants in the U.S. is estimated to be $2.2 billion to $2.5 billion in the same period.

Primary Technology Platform

We have developed and have trade secret rights to what we believe to be a unique and proprietary Parachlorometaxylenol (more commonly known as PCMX) based chemical emulsion biocide technology platform. PCMX has been widely used as an antimicrobial in surgical hand and skin scrubs. Based on this technology, we have developed a portfolio of efficacious disinfectants/sanitizers/cleaners that achieve bio-decontamination without using toxic & corrosive chemicals. Our PCMX chemical emulsion biocides have the following characteristics:

- They kill a wide range of infectious microorganism, including MRSA;
- They minimize harmful effects to people and do not cause skin, eye, pulmonary, oral or dermal irritation;
- They are non-corrosive (EnviroTru®/EnviroTru® 1453 are included in the Boeing Qualified Products List (QPL) and conform with AMS-1452A, 1453 & D6-7127 Aircraft Corrosion Specifications); and

In addition to the foregoing benefits, we also believe that our proprietary PCMX chemical emulsion biocide technology will act as a barrier to competition.

Product Categories

We believe that the concept of an easy-to-use and effective line of decontaminants that fits with a favorable environmental profile offers us a unique opportunity to differentiate our products in multiple infection prevention markets. It is our intention to use the unique characteristics of our chemical emulsion technology to build acceptance of our decontaminants as an alternative which is significantly different from other biocidal products that currently dominate the marketplace. We are exploiting our technology platform to establish a broad product portfolio in the following categories:

- Surface care products - disinfectants, sanitizers and cleaners (including wipes);
- Animal care products - skin and hoof care treatment and animal shampoo;
- Personal care products – antimicrobial hand soaps, hand sanitizers and facial scrubs (including wipes); and
- Geo-Biocides – biocides for use in the oil and gas industry.

Surface Care Products

We believe that convenience, safety, the effect on air quality and environmental responsibility are increasingly playing a greater role in the buying decision for surface cleaners/disinfectants. We believe that consumers in general have become more health conscious and at the same time have grown more concerned about the effect that traditional cleaners/disinfectants have on internal and external environments. Often consumers are required to settle for a trade-off between effectiveness and environmental friendliness. We believe that our surface care products will provide consumers with products that are both efficacious and safe for the environment.

Our surface care products include the following.

- **EnviroTru® Disinfectant & Cleaner Deodorizer,** which is a multi-purpose, ready-to-use disinfectant, sanitizer and deodorizing cleaner for use on hard surfaces. EnviroTru® is effective against numerous organisms without causing any adverse effects to surfaces, humans or the environment. EnviroTru® is registered by the Environmental Protection Agency (EPA) and meets EPA requirements for Toxicity Category IV (minimal effects noted, no precautionary or first aid statements required; no harmful dermal, ocular, inhalation or ingestion effects). EnviroTru® also conforms to AMS 1452A, AMS 1453 and Boeing D6-7127 specifications for non-corrosion and materials compatibility. EnviroTru® has no special handling requirements, does not require protective clothing, gloves or special ventilation and is non-flammable.

  EnviroTru® is also effective for use in animal housing facilities, including veterinary clinics, farms, equine farms, kennels, livestock houses, swine houses, poultry houses and laboratories. When used as directed, EnviroTru® will clean, deodorize and disinfect veterinary feeding and watering equipment, utensils, instruments, cages, kennels, stables, catteries, etc.

- **EnviroTru® 1453 Disinfectant & Cleaner Deodorizer**, which is a multi-purpose, ready-to-use disinfectant, sanitizer and deodorizing cleaner for use on aircraft hard surfaces, including exterior and interior surfaces such as cabins, toilets, sinks, faucets, counter tops and luggage compartments. EnviroTru®1453 conforms to AMS 1452A, AMS 1453 and Boeing D6-7127 specifications for non-corrosion and materials compatibility. EnviroTru®1453 is registered by the Environmental Protection Agency (EPA) and meets EPA requirements for Toxicity Category IV (minimal effects noted, no precautionary or first aid statements required; no harmful dermal, ocular, inhalation or ingestion effects). EnviroTru®1453 has no special handling requirements, does not require protective clothing, gloves or special ventilation and is non-flammable.

- **SurfaceTru™ Deodorizing Cleaner**, which is a powerful, multi-purpose cleaner and deodorizer that's safe for use on a variety of surfaces. SurfaceTru™ is effective for removing dirt and grime and is gentle to application surfaces, safe for the user and friendly to the environment. It has no special handling requirements, does not require protective clothing, gloves or special ventilation and is non-flammable.

- **SurfaceTru™ Cleaning & Deodorizing Wipes**, which are powerful cleaning and deodorizing wipes that are packaged in their own individual foil wrappers for easy portability. Each wipe opens to a large, 9" x 8" durable cloth with a smooth finish that can be conveniently used on a variety of surfaces. SurfaceTru™ Wipes can be carried with you for use when an immediate need for an effective, yet gentle cleaner arises.

- **Electrostatic Sprayers.** In addition to the foregoing products, we also market electrostatic sprayers produced by Electrostatic Spraying Systems, Inc. ("**ESS**") which may be used to apply our liquid surface care products to the target surfaces. Electrostatic sprayers provide superior spray coverage by more effectively dispensing solutions compared to conventional sprayers; tests have demonstrated 4-10 times better coverage. Electrostatic sprayers operate by producing highly charged spray droplets using a unique embedded induction electrode design. This induction charging results in spray droplets that have a force of attraction that is 75 times that of gravity. This means droplets will reverse direction and move upwards, against gravity, to coat hidden surfaces, and wrap around objects resulting in complete, even coverage of the target. When using an electrostatic sprayer it is possible to deliver ESI's liquid disinfectants and cleaners to difficult to reach locations that may harbor disease-causing microorganisms.

  In October 2008, we announced that ESI entered into a prime distributor agreement with ESS. Using ESS electrostatic sprayers in conjunction with our EnviroTru® Disinfectant Cleaner creates an electrostatically charged decontamination system which provides an efficient system to quickly administer EnviroTru® Disinfectant Cleaner to large areas, difficult to reach spaces, or to high-traffic areas that require frequent treatment. This system substantially improves the bio-availability of EnviroTru®. The result is reduced manpower costs and simultaneously improved coverage, reducing the threat of disease-causing microorganisms. In summary, the system offers an extremely efficient, cost-effective way to realize the advantages of EnviroTru®.

Future Surface Care Products

We are conducting research and development and are planning to reintroduce a hospital grade disinfectant product to replace one of our earlier products called EcoTru®. The reformulated disinfectant is expected to demonstrate through testing that it will effectively kill numerous bacteria, fungi, and viruses, including MRSA, Hepatitis B and C, HIV, herpes and influenza. Likewise, in addition to being highly effective as a disinfectant, our reformulated hospital grade product is expected to occupy a unique position in the market place, combining this microbial effectiveness in a disinfectant product which will also have a favorable profile for health and environmental effects.

Animal Care Products

We believe that the microorganism killing properties of our products, combined with their safety profile, make them ideally suited for use as a topical treatment for skin ailments caused by microorganisms. We have worked to develop products for use on animals and have focused initially on the equine market with the introduction of **EquineTru® Skin and Hoof Treatment**. EquineTru® Skin & Hoof Treatment is an antiseptic that may be used to rapidly, safely and effectively treat common skin and hoof conditions caused by microorganisms without irritating a horse's skin or drying out its hoofs. The active ingredient used in EquineTru® Skin and Hoof Treatment, PCMX, has been widely used as an antimicrobial in surgical hand and skin scrubs and it is successfully used as a topical antiseptic for skin and mucous membranes. It is also used as a fungicide in a variety of applications. EquineTru® Skin and Hoof Treatment has been reviewed and cleared for market by the Center for Veterinary Medicine (CVM), a division of the U.S. Food and Drug Administration (FDA). Its use is permitted for United States Equestrian Federation (USEF) and Fédération Equestre Internationale (FEI) regulated competitions.

Future Animal Care Product Considerations

We are working on developing several variations of EquineTru® Skin and Hoof Treatment for specific application, an animal shampoo and skin treatments for household pets.

Personal Care Products

Personal care products such as antimicrobial hand soaps and hand sanitizers, have traditionally been purchased by hospitals and health clinics. However, due to an increased awareness of germs and transmission of disease, individual consumers as well as institutional buyers such as health clubs, schools, restaurants and grocery stores are increasingly purchasing these products. These consumers, however, appear to have little understanding of the benefits and/or adverse consequences of the products they choose.

In response to what we believe will be an increasing market for these products, we are developing our **KeraTru™ Personal Care** line of products which will include hand sanitizers and antimicrobial soaps. Our KeraTru™ personal care line of products are safe and include several alcohol free products and we believe that they are more than or as effective as the leading brands.

Geo Biocides

In response to requests from members of the oil & gas industry for a non-toxic but effective disinfectant to replace toxic biocides used in hydraulic fracturing, we developed **GeoTru™ Concentrate** designed to be used as a "down-hole" biocide in the oil & gas industry. GeoTru™ Concentrate is a surfactant-based anionic chemistry with extended shelf life that is effective when used under aerobic or anaerobic conditions. It is active over a wide pH range and is non-oxidizing and nonreactive with other down-hole chemistries and designed to be used particularly in hydraulic fracturing.

Our headquarters is located at 116 Morlake Drive, Suite 201, Mooresville, North Carolina 28117. Our telephone number is (704) 658-3350. Our website address is www.envirosi.com.

Results of Operations

Year Ended March 31, 2009 compared to Year Ended March 31, 2008

Revenues. Our revenues for the year ended March 31, 2009 and 2008 were $85,969 and $115,284, respectively. This is a decrease of $29,315. This decrease is directly attributive to larger initial orders from our distributors to stock our EnviroTru® and EnviroTru 1453® which initially became available for sale in September 2007. Subsequent reorders from our distributors have been smaller in comparison to the initial orders placed. Revenues from the sales of SurfaceTru® Cleaning & Deodorizing Wipes for the year ended March 31, 2009 and 2008 were $25,475 and $53,994. Revenues from the sales of EnviroTru® and EnviroTru 1453® for the year ended March 31, 2009 and 2008 were $39,572 and $59,945. Revenues from the sales of the Electro-Static Sprayer for the year ended March 31, 2009 and 2008 $16,800 and $-0-. The Electro-Static Sprayer was not available for sale in the prior year.

Revenues for the year ended March 31, 2009 and 2008 were composed of the following:

Products	Year Ended March 31, 2009	2008
SurfaceTru®	0.79%	-
SurfaceTru® Cleaning & Deodorizing Wipes	29.63%	46.85%
EnviroTru® and EnviroTru 1453®	45.41%	52.00%
EquineTru®	4.63%	1.15%
Electro-Satic Sprayer	19.54%	-

Cost of Sales. Cost of sales for the Nine Months ended December 31, 2009 and 2008 were $77,612 and $139,537, respectively, a decrease of $61,925. As a percentage of revenues, for the Nine Months ended December 31, 2009 and 2008, cost of sales represented 90% and 121% of revenues, respectively. Cost of sales for the year ended March 31, 2009 and 2008 includes $5,019 and $15,840 for disposal cost of material that scrapped and $10,706 and $46,269 of raw material cost from inventory we produced prior to our inventory production contract with Minntech. Under the production contract with Minntech, they are responsible for the procurement of raw materials. During the year ended March 31, 2009 and 2008, depreciation expense in the amount of $34,371 and $27,742 was recorded for manufacturing equipment that sat idle and is included as part of Operating Expenses on the Consolidated Statement of Operations.

Operating Expenses. Total operating expenses for the year ended March 31, 2009 and 2008 were $3,920,599 and $4,543,564, respectively, a decrease of $622,965 or 13.71%. The decrease was attributed to an increase in marketing and sales department expenses of $30,440, a decrease in product development expenses of $66,550, a decrease in corporate expenses of $369,212, a decrease in finance and administrative expenses of $39,957, a decrease in consulting expenses of $749,112, a decrease in compensation cost for re-pricing warrants of $349,937 and an increase in financing expenses of $921,363.

Marketing and Sales. During the year ended March 31, 2009, the Company's expenditures on its marketing and sales efforts increased from the prior year. For the years ended March 31, 2009 and 2008 the costs and expenses in this area was $339,697 and $309,257, an increase of $30,440 or 9.84%. The increase in cost includes amounts for an additional sales associate in our sales department to help in the promotion of our products. Other increases include amounts spent on advertising and marketing efforts. Decreases included amounts incurred for consultants in the prior period that were not employed in the current period.

Product Development. Product development costs decreased to $433,556 for the year ended March 31, 2009 as compared to $500,106 for the year ended March 31, 2008, a decrease of $66,550 or 13.31%. This decrease was primarily the result of decreased testing of our products and development of potential products.

Corporate. Corporate cost decreased to $729,268 for the year ended March 31, 2009 as compared to $1,098,480 for the year ended March 31, 2008, a decrease of $369,212 or 33.61%. The decrease is attributed to the intrinsic cost of issuing Stock options and stock warrants which is calculated using the Black-Scholes Option pricing model. Expenses related to the Black-Scholes valuation method in the years ended March 31, 2009 and 2008 amounted to $33,798 and $320,245, respectively. The decrease also includes the cost of fees paid for registering our products with the EPA and in the states where our products are registered and sold and the professional fees paid to process the registrations. Registration fees and professional fees for the EPA and similar States agencies were $31,607 and $31,552 for the year ended March 31, 2009 and 2008, a decrease of 50,055. The decrease also includes a reduction in Directors and Officers insurance. Directors and Officers insurance was $49,365 and $69,767 for the year ended March 31, 2009 and 2008, a decrease of 20,402.

Finance and administrative. Finance and administrative cost decreased to $403,284 for the year ended March 31, 2009 as compared to $443,241 for the year ended March 31, 2008, a decrease of $39,957 or 9.02%. Expenses that decreased from the prior period included fees for professional services of $45,168 and an increase in compensation expenses of $12,461 for options issued to employees.

Consulting. Consultants are usually compensated through the issuance of restricted stock or the issuance of common stock warrants. Consulting cost decreased to $261,375 for the year ended March 31, 2009 as compared to $1,098,480 for the year ended March 31, 2008, a decrease of $749,112 or 68.20%. Restricted stock was issued in the year ended March 31, 2009 and 2008 in the amounts of $204,500 and $-0-. A portion of the decrease is attributed to the intrinsic cost of issuing Stock warrants which are calculated using the Black-Scholes Option pricing model. Expenses related to the Black-Scholes valuation method in the years ended March 31, 2009 and 2008 amounted to $56,875 and $940,487, respectively, a decrease of $925,104. In the years ended March 31, 2009 and 2008 we paid cash compensation of $70,000 and $-0-, respectively.

Compensation Cost for Re-Pricing Warrants. Compensation Cost for Re-Pricing Warrants decreased to $582,056 for the year ended March 31, 2009 as compared to $931,993 for the year ended March 31, 2008, a decrease of $349,937 or 37.55%. The decrease is attributed to the intrinsic cost of re-pricing of existing warrants which is calculated using the Black-Scholes Option pricing model. Expenses related to the Black-Scholes valuation method in the years ended March 31, 2009 and 2008 amounted to $582,056 and $931,933, respectively.

Financing Expense. Financing cost increased to $1,171,363 from $250,000 for the years ended March 31, 2009 and 2008, an increase of $921,363 or 368.55%. The increase is attributed to the intrinsic cost of detachable warrants issued with convertible debt in the years ended March 31, 2009 and 2008.

Liquidity and Capital Resources

For the year ended March 31, 2009, we used $922,166 in operating activities, compared with $1,968,057 used in operating activities for the year ended March 31, 2008, a decrease of $1,045,891 or 53.14%. A portion of the decrease includes increase in the balance of accounts payable and accrued expenses of $273,798, an increase in the balance of accrued interest payable of $116,693 and an increase in the balance of wages payable of $188,840.

We had net cash provided by financing activities of $581,770 for the year ended March 31, 2009 compared with $628,608 provided by financing activities for the year ended March 31, 2008. Cash provided by financing activities for the year ended March 31, 2009, includes $135,000 in proceeds from the sale of common stock, $188,560 from the exercise and re-pricing of common stock warrants, and net proceeds of 258,210 from notes payable.

We had net cash used in investing activities of $-0- and $21,811 for the year ended March 31, 2009 and 2008. This amount was used in the purchase of research equipment for our product development department.

At March 31, 2009 and 2008, we had cash and cash equivalents available in the amounts of $11,231 and $351,627, a decrease of $340,396.

Contractual Obligations

Operating Leases

We have entered into two lease agreements for office and laboratory facilities. The lease agreement for our laboratory facility located in Mentor, Ohio required us to pay $10,800 for the year July 31, 2007 to July 31, 2008. We are now leasing this facility on a month to month basis for $917 per month. The lease for our office space in Mooresville, North Carolina required us to pay $73,200 during the fiscal year ended March 31, 2009. In August 2008, we renewed this lease and in April 2009 we renegotiated this lease. At September 30, 2009, this lease will terminate and we will be leasing on a month to month basis for $2,200 per month.

Rent expense relating to operating space leased was approximately $84,166 and $111,124 for the years ended March 31, 2009 and 2008, respectively.

Payments Due by Period

Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Office Lease	$ 35,400	$ 35,400	—	—	—
Laboratory Lease (1)	—	—	—	—	—
Total Contractual Cash Obligations	$ 35,400	$ 35,400	—	—	—

(1) The laboratory lease has expired and the Company continues leasing these premises on a month to month basis

Executive Employment Contracts
The Company has entered into a three year employment contract with a key Company executive that provides for the continuation of salary to the executive if terminated for reasons other than cause, as defined in those agreements. At January 9, 2009 the contract expired and has not been renewed. The Company also issued 750,000 stock options to purchase 750,000 common stock shares at $2.50 per share. All of these were fully vested at March 31, 2009.

Manufacturing Contract
Effective August 1, 2006, EnviroSystems, Inc., the wholly owned subsidiary of Anpath Group, Inc. entered into a manufacturing agreement with Minntech Corporation, a Minnesota corporation pursuant to which Minntech has agreed to be the exclusive U.S. manufacturer of EnviroSystems' disinfectant product.

The Manufacturing Agreement provides the terms and conditions pursuant to which Minntech will manufacture and supply to ESI all of ESI's requirements for the Product. Manufacturing of the Product commenced in September 2007. The Manufacturing Agreement has a term of three years commencing after the first shipment of commercial quantities of the Product by Minntech to ESI, provides for automatic one year renewals if not terminated by one of the parties. The Manufacturing Agreement may be terminated by either party upon 90 days prior written notice.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements. These statements have been prepared in accordance with generally accepted accounting principles in the United States of America. All inter-company balances and transactions have been eliminated in consolidation.

Use of estimates in preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, based on historical experience, and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The following critical accounting policies rely upon assumptions, judgments and estimates and were used in the preparation of our consolidated financial statements:

Trade Secret

The trade secret of the formula/formulation of EnviroSystems' product, at the time acquired by us was based upon the valuation of an independent appraiser.

Impairment of Long Lived Assets

We assess potential impairment of our long lived assets, which include our property and equipment and our identifiable intangibles such as our trade secrets under the guidance of Statement of Financial Standards No. 144 *Accounting for the Impairment or Disposal of Long Lived Assets.* Once annually, or as events and circumstances indicate that an asset may be impaired, we assess potential impairment of our long lived assets. We determine impairment by measuring the undisclosed future cash flows generated by the assets, comparing the results to the assets' carrying value and adjusting the assets to the lower of the carrying value to fair value and charging currant operations for any measured impairment.

Revenue Recognition

Revenue is generally recognized and earned when all of the following criteria are satisfied: a) persuasive evidence of sales arrangements exists; b) delivery has occurred; c) the sales price is fixed or determinable, and d) collectibility is reasonably assured.
Persuasive evidence of an arrangement is demonstrated via a purchase order from our customers. Delivery occurs when title and all risks of ownership are transferred to the purchaser which generally occurs when the products are shipped to the customer. No right of return exists on sales of product except for defective or damaged products. The sales price to the customer is fixed upon acceptance of purchase order. To assure that collectibility is reasonably assured we perform ongoing credit evaluations of all of our customers.

Contingent Liability

In accordance with Statement of Financial Accounting Standards Interpretation No. 14, we may have certain contingent liabilities with respect to material existing or potential claims, lawsuits and other proceedings. We accrue liabilities when it is probable that future cost will be incurred and such cost can be measured.

Off Balance Sheet Arrangements

We currently have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

This item is not applicable because the Company is a smaller reporting company.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The full text of our audited consolidated financial statements for the fiscal year ended March 31, 2009 begins on page F-1 of this Annual Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A (T). CONTROLS AND PROCEDURES.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

In connection with the preparation of this annual report on Form 10K, Anpath's management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures.

During the evaluation of disclosure controls and procedures as of March 31, 2009, management identified a material weakness in internal control over financial reporting, which management considers an integral component of disclosure controls and procedures. The material weakness identified relates to a lack of appropriate accounting policies and related procedures. As a result of the material weakness identified, management concluded that Anpath's disclosure controls and procedures were ineffective.

Notwithstanding the existence of this material weakness, Anpath believes that the consolidated financial statements in this annual report on Form 10K fairly present, in all material respects, Anpath's financial condition as of March 31, 2009 and 2008, and the results of its operations and cash flows for the years ended March 31, 2009 and 2008, in conformity with United States generally accepted accounting principles (GAAP).

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Anpath is responsible for establishing and maintaining adequate internal control over financial reporting. Anpath's internal control over financial reporting is a process, under the supervision of the Chief Executive Officer and the Chief Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with United States generally accepted accounting principles (GAAP). Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the Board of Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Anpath's management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of March 31, 2009, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). As a result of this assessment, management identified a material weakness in internal control over financial reporting.

A material weakness is a control deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified is disclosed below:

> *Lack of Appropriate Accounting Policies and Related Procedures.* Management has not established with appropriate rigor accounting policies or procedures for evaluating complex transactions and determining appropriate application of accounting principles, including accounting policies related to complex financing transactions such as convertible debt. As a result, the auditors identified a material misstatement in the financial statements related to a complex financing transaction executed by the Company during the fiscal year.

As a result of the material weakness in internal control over financial reporting described above, Anpath management has concluded that, as of March 31, 2009, Anpath's internal control over financial reporting was not effective based on the criteria in *Internal Control – Integrated Framework* issued by the COSO.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. We were not required to have, nor have we, engaged our independent registered public accounting firm to perform an audit of internal control over financial reporting pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

The Company intends, as capital resources allow, to remedy its material weaknesses by identifying steps that can be taken in the process of documenting and evaluating the applicable accounting treatment for non-routine or complex transactions as they may arise. Despite the Company's intention to remedy its material weaknesses in the manner described, the actions required to accomplish these objectives may require the Company to engage additional personnel which actions may not be possible in the near term due to our limited financial resources and operations.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

As of the end of the period covered by this report, there have been no changes in internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended March 31, 2009, that materially affected, or are reasonably likely to materially affect, Anpath internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

Set forth below are the names, ages, and positions of each of our and EnviroSystems' executive officers and directors, together with such person's business experience during the past five (5) years.

Name	Age	Position(s)
J. Lloyd Breedlove	61	President, Chief Executive Officer, Chairman of the Board of Directors
Stephen Hoelscher	50	Chief Financial Officer, Secretary, Director
Paul S. Malchesky	62	Chief Science Officer, EnviroSystems
Jeff Savino	55	Vice President, Marketing and Sales, EnviroSystems

J. Lloyd Breedlove

J. Lloyd Breedlove has been our and EnviroSystems' President, Chief Executive Officer and Chairman of the board of directors since January 10, 2006 and since 2004, he has served as a member of the board of directors of EnviroSystems. From June 2003 to 2006, he was the President and Chief Executive Officer of Imalux Corporation a corporation in the medical imaging equipment industry. Prior thereto, from December 2000 to May 2003 he was the President and Chief Executive Officer of KIVALO, Inc. a healthcare technology company with emphasis on disease management. From 1991to 1999, Mr. Breedlove served as the Executive Vice President and Group President of Steris Corporation, a developer and manufacturer of infection and contamination control products. From 1989 to 1991, he was the President and Chief Executive Officer of Catheter Research Inc. (CRI), a developer of a vascular surgery products and prior thereto he was the Director of Sales and held other sales and management positions at Mallinckrodt, Inc., a diverse company focusing on supplying products to the healthcare industry. Mr. Breedlove has a wide range of experience working with companies in various stages of development from start-ups to companies with global operations. During Mr. Breedlove's tenure at Steris, annual sales increased from $13 million to greater than $820 million. He has served on numerous advisory and corporate boards, with an emphasis on establishing healthcare businesses. Mr. Breedlove received an MBA from Western Carolina University. Serving in Viet Nam, he was awarded the Bronze Star, Bronze Star with Oak Leaf Cluster, Vietnamese Cross of Gallantry, Air Medal and Purple Heart.

Stephen Hoelscher

Mr. Hoelscher has been our and EnviroSystems' Chief Financial Officer, Secretary and a member of our board of directors since January 10, 2006. Mr. Hoelscher is a Certified Public Accountant and has 29 years of accounting and auditing experience. Mr. Hoelscher is a 5% owner of, and also the CFO for, Mastodon Ventures, Inc., a financial consulting business in Austin, Texas, a position that he has held since 2000. Mastodon Ventures, Inc. is an affiliate of MV Nanotech Corp. which previously made loans to us in the aggregate amount of $850,000, which amount (plus accrued but unpaid interest) was repaid out of the net proceeds of our private offering completed in January 2006. Since May, 2004, Mr. Hoelscher has also served as the Chief Financial Officer of EnXnet, Inc, a Tulsa, Oklahoma based publicly traded technology company, and he has provided accounting consulting services to EnXnet since January 2001. Mr. Hoelscher will continue to provide limited consultation to Mastodon and will continue to consult with EnXnet but will devote such time as necessary to the performance of his duties to us. From 1997 to 2000, Mr. Hoelscher was the Controller for Aperian, Inc. an Austin, Texas based publicly traded company. Prior to joining Aperian, he was the controller for Protos Software Company in Georgetown, Texas from 1996 to 1997. Mr. Hoelscher was Audit Manager with Brown, Graham and Company, P.C. from 1989 to 1996. Mr. Hoelscher received a Bachelor of Business Administration from West Texas A&M University (formerly West Texas State University) in Canyon, Texas in 1981.

Paul S. Malchesky

Paul S. Malchesky, D. Eng. has served as the Chief Science Officer of our subsidiary, EnviroSystems, since January, 2006. Dr. Malchesky is a former Vice President of Operations and Discovery and Development for NanoScale Materials, Inc. in Manhattan, KS. Previously, he served as Vice President of Investigational Research at STERIS Corporation, Mentor, OH, and Staff Member at the Cleveland Clinic Foundation in Artificial Organs in Cleveland, OH. As an academician, Dr. Malchesky is Associate Professor of Surgery, Baylor College of Medicine, Houston, Texas, and Adjunct Staff in Biomedical Engineering, Cleveland Clinic Foundation, and Adjunct Professor in Chemical Engineering at Kansas State University. He is also President of the International Center for Artificial Organs and Transplantation (ICAOT). Dr. Malchesky is also the Editor-in-Chief of *Artificial Organs* and Managing Editor of *Therapeutic Apheresis and Dialysis*. He holds a Doctorate in Engineering from Cleveland State University, M.S. degrees in Chemistry from Case Western Reserve University and in Chemical Engineering from Cleveland State University and a B.S. Degree in Chemistry from St. Francis College (PA).

Jeff Savino

Jeff Savino has served as the Vice President of Marketing & Sales of our subsidiary, EnviroSystems, since January, 2006. Mr. Savino has nearly thirty years of proven experience in medical marketing and sales, spanning from small to large corporations. His background includes new product introductions, operations experience, and international commerce and business Most recently he built and managed a national distribution network at Boehringer Labs. Previously, Mr. Savino held a number of responsible positions in his ten years of service with STERIS Corporation, including Vice President, International Health Care, and Latin American Operations. His marketing and sales career began with Baxter. Mr. Savino holds a B.S. Degree in Biology from City University of New York.

Election of Directors and Officers

Holders of our common stock are entitled to one (1) vote for each share held on all matters submitted to a vote of the stockholders, including the election of directors. Cumulative voting with respect to the election of directors is not permitted by our certificate of incorporation.

The board of directors shall be elected at the annual meeting of the stockholders or at a special meeting called for that purpose. Each director shall hold office until the next annual meeting of stockholders and until the director's successor is elected and qualified. If a vacancy occurs on the board of directors, including a vacancy resulting from an increase in the number of directors, then the stockholders may fill the vacancy at the next annual meeting or at a special meeting called for the purpose, or the board of directors may fill such vacancy.

Compensation of Directors

It is intended that each member of our board of directors who is not also an employee (a “non-employee director”) will receive an annual retainer in shares of our common stock as determined by our board of directors and all directors will be reimbursed for costs and expenses related to attending meetings of the board of directors or committees of the board of directors on which they serve.

Our employee directors will not receive any additional compensation for serving on our board of directors or any committee of our board of directors, and our non-employee directors will not receive any compensation from us for their roles as directors other than the stock option grants described above.

Committees of the Board of Directors

Our board of directors does not have any committees. We do not have a nominating committee because the board has determined that since the board consists of two members it was not necessary to have a nominating committee. Our board of directors, which consists of Mr. Breedlove and Mr. Hoelscher, participates in the consideration of director nominees.

Our board of directors does not have a separately-designated standing audit committee and our entire board serves as the audit committee. We have not adopted an audit committee charter or made a determination as to whether any of our directors would qualify as an audit committee financial expert.

Code of Ethics.

The Company has not yet adopted a code of ethics applicable to its chief executive officer and chief accounting officer, or persons performing those functions, because of the small number of persons involved in management of the Company.

Family Relationships

There are no family relationships among our officers or directors.

Legal Proceedings

Based on our inquiries of all of our officers and directors, we are not aware of any pending or threatened legal proceedings involving any of our officers or directors that would be material to an evaluation of our management.

ITEM 11. EXECUTIVE COMPENSATION.

The following table sets forth certain information concerning all cash and non-cash compensation awarded to each named executive officer for the fiscal years ended March 31, 2009 and 2008.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($) (A)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
J. Lloyd Breedlove, Pres., CEO and Director (1)	2009	$ 260,041(1)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 260,041
	2008	$ 260,041	$ -0-	$ -0-	$ 242,060(2)	$ -0-	$ -0-	$ -0-	$ 502,101
Stephen Hoelscher, CFO, Secretary and Director	2009	$ 140,016 (2)	$ -0-	$ -0-	$ 62,885 (4)	$ -0-	$ -0-	$ -0-	$ 202,901
	2008	$ 140,016	$ -0-	$ -0-	$ 62,885 (4)	$ -0-	$ -0-	$ -0-	$ 202,901

(A) The Company used the Black-Scholes option price calculation to value the options issued to the officers using the following assumptions: risk-free rate of 4.50%; volatility of 63%; zero dividend yield; the actual exercise term of the options issued and the exercise price of options issued.

(1) The company was unable to pay Mr. Breedlove his full salary and all unpaid salary has been accrued. As of March 31, 2009, Mr. Breedlove's accrued unpaid executive compensation was $97,500.

(2) An option for the purchase of 750,000 shares of common stock at an exercise price of $2.50 per share was granted to Mr. Breedlove on January 10, 2006. This option became fully vested and exercisable on January 9, 2008. This option has a termination date of January 9, 2011.

(3) The company was unable to pay Mr. Hoelscher his full salary and all unpaid salary has been accrued. As of March 31, 2009, Mr. Hoelscher's accrued unpaid executive compensation was $58,340.

(4) An option for the purchase of 200,000 shares of common stock at an exercise price of $2.20 per share was granted to Mr. Hoelscher on December 18, 2006. This option becomes vested over a four year vesting schedule; 25% at the January 17, 2007and the remainder vesting in 36 equal monthly amounts through December 17, 2010. This option has a termination date of December 17, 2016.

Employment Agreements

We are party to an employment agreement with J. Lloyd Breedlove, pursuant to which Mr. Breedlove agreed to serve as our President, Chief Executive Officer and Chairman of the Board, effective January 10, 2006. The agreement has a 3 year term, commencing as of January 10, 2006. The agreement provides for a base salary of $225,000 during the first year of its term and $250,000 during each of the second and third years of its term. In addition, we paid to Mr. Breedlove a signing bonus of $50,000 and granted to Mr. Breedlove 4 year options to purchase up to 750,000 shares of our common stock at an exercise price of $2.50 per share, vesting over a three year period in equal installments. Under the agreement, we have the right to terminate Mr. Breedlove without cause upon 12 months prior written notice. If Mr. Breedlove is terminated without cause by us, he will be entitled to receive a lump sum payment equal to the lesser of 12 months of the base salary then in effect or the balance of this base salary due under the agreement for the remainder of the term of the agreement. In addition, Mr. Breedlove is entitled to participate in all our benefit programs in effect during the term of the agreement Mr. Breedlove's employment agreement expired in January 2009 and has not been renewed as of march 31, 2009.

Other Compensation

In addition to our employment agreement with J. Lloyd Breedlove, we pay Mr. Hoelscher $140,000 per year in consideration for Mr. Hoelscher serving as our Chief Financial Officer. We have not entered into an employment agreement with Mr. Hoelscher.

In connection with their hiring, we granted to each of Dr. Malchesky and Mr. Savino, options under our 2006 Stock Incentive Plan to purchase up to 200,000 shares of our common stock at an exercise price of $1.55 per share.

We may also issue to our officers and directors stock options on terms and conditions to be determined by the Compensation Committee of our board of directors.

Stock Option Plans

2004 Equity Compensation Plan
We adopted our 2004 Equity Compensation Plan on September 1, 2004. The plan provides for the grant of options intended to qualify as "incentive stock options", options that are not intended to so qualify or "nonstatutory stock options" and restricted stock. The total number of shares of common stock reserved for issuance under the plan is 1,300,000 shares, subject to adjustment in the event of stock split, stock dividend, recapitalization or similar capital change. No grants have been made under the plan.

The plan is administered by our board of directors, which selects the eligible persons to whom options or stock awards shall be granted, determines the number of shares subject to each option or stock award, the exercise price therefore and the periods during which options are exercisable, interprets the provisions of the plan and, subject to certain limitations, may amend the plan. Each option or stock award granted under the plan shall be evidenced by a written agreement between us and the optionee.

Grants may be made to our employees (including officers) and directors and to certain consultants and advisors.

The exercise price for incentive stock options granted under the plan may not be less than the fair market value of the common stock on the date the option is granted, except for options granted to 10% stockholders which must have an exercise price of not less than 110% of the fair market value of the common stock on the date the option is granted. The exercise price for nonstatutory options is determined by the Compensation Committee of our board of directors. Incentive stock options granted under the plan have a maximum term of ten years, except for grants to 10% stockholders which are subject to a maximum term of five years. The term of nonstatutory stock options is determined by the Compensation Committee of our board of directors. Options granted under the plan are not transferable, except by will and the laws of descent and distribution.

2006 Stock Incentive Plan

In connection with the merger, our board of directors adopted, subject to stockholder approval, the 2006 Stock Incentive Plan (the "2006 Plan"). The 2006 Plan was approved by our stockholders of record as November 15, 2006 at our special meeting of stockholders which occurred on January 8, 2007. The 2006 Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards and stock appreciation rights. The number of shares of common stock that may be issued under the 2006 Plan is 2,400,000 shares.

The 2006 Plan is administered by our board of directors, which will select the eligible persons to whom options or stock awards shall be granted, determine the number of shares subject to each option or stock award, the exercise price therefore and the periods during which options are exercisable, interpret the provisions of the plan and, subject to certain limitations, may amend the plan. Each option or stock award granted under the plan shall be evidenced by a written agreement between us and the optionee.

Grants may be made to our employees (including officers) and directors and to certain consultants and advisors.

The exercise price for incentive stock options granted under the 2006 Plan may not be less than the fair market value of the common stock on the date the option is granted, except for options granted to 10% stockholders which must have an exercise price of not less than 110% of the fair market value of the common stock on the date the option is granted. The exercise price for nonstatutory options will be determined by the Compensation Committee of our board of directors. Incentive stock options granted under the 2006 Plan will have a maximum term of ten years, except for grants to 10% stockholders which are subject to a maximum term of five years. The term of nonstatutory stock options will be determined by the Compensation Committee of our board of directors. Options granted under the plan are not transferable, except by will and the laws of descent and distribution.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END
OPTION AWARDS

Name	Number of Securities Underlying Unexercised Options (#) Exercisable (Vested)	Unexercisable (Uvested)	Option Exercise Price ($)	Option Expiration Date
J. Lloyd Breedlove	750,000(1)	-0-	$ 2.50	01/10/2011
Stephen Hoelscher	150,000(2)	50,000	$ 2.20	12/17/2016

(1) An option for the purchase of 750,000 shares of common stock at an exercise price of $2.50 per share was granted to Mr. Breedlove on January 10, 2006. This option became fully vested and exercisable on January 9, 2008. This option has a termination date of January 9, 2011.

(2) An option for the purchase of 200,000 shares of common stock at an exercise price of $2.20 per share was granted to Mr. Hoelscher on December 18, 2006. This option becomes vested over a four year vesting schedule; 25% at the January 17, 2007and the remainder vesting in 36 equal monthly amounts through December 17, 2010. This option has a termination date of December 17, 2016.

OPTIONS EXERCISED and STOCK VESTED

No named executive officer exercised options in the fiscal years ended March 31, 2009 or March 31, 2008. Options held by the following named executive officers vested during the years ended:

Name	March 31, 2009	March 31, 2008
J. Lloyd Breedlove	-0-	250,000
Stephen Hoelscher	50,000	50,000

Compensation of Directors

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
J. Lloyd Breedlove (1)	—	—	—	—	—	—	—
Stephen Hoelscher (1)	—	—	—	—	—	—	—
Stephen A. Schneider (2)	—	—	—	—	—	—	—
Paul A. Boyer (2)	—	—	$ 2,088	—	—	—	$ 2,088
David V. Gilroy (2)	—	—	$ 2,088	—	—	—	$ 2,088

(1) Board members who are also officers are not individually compensated for being on the Board of Directors.

(2) Mr. Schneider, Mr. Boyer, and Mr. Gilroy resigned from the Board of Directors on March 5, 2009.

Securities Authorized for Issuance under Equity Compensation Plans

The following table shows information about securities authorized for issuance under our equity compensation plans as of March 31, 2009:

Plan Category	Number of Securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding (b)	Number of Securities remaining for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,390,000	$ 2.34	2,310,000*
Equity compensation plans not approved by security holders	—	—	—
Total	1,390,000	$ 2.34	2,310,000

* Represents remaining shares issuable under the 2004 Equity Compensation Plan and the 2006 Stock Incentive Plan.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth certain information as of June 29, 2009 regarding the beneficial ownership of our common stock by (i) each person who, to our knowledge, beneficially owns more than 5% of our Common Stock; (ii) each of our directors and named executive officers; and (iii) all of our named executive officers and directors as a group:

Name and address of Beneficial Owner	Amount (1)	Percent of Class
Directors and Named Executive Officers (2):		
J. Lloyd Breedlove (3)	1,128,545	6.4%
Stephen Hoelscher (4)	284,024	1.7%
All directors and named executive officers as a group (two persons)	1,413,569	8.1%
Other 5% or Greater Beneficial Owners		
The Ferguson Living Trust UDT 8/13/74 (5) 2100 Gold Street San Jose, CA 95164	2,915,562	15.0%
Alma and Gabriel Elias (6) 509 Spring Avenue Elkins Park, PA 19027	1,485,000	8.7%
Other Stockholders		
MV Nanotech Corp. (7) 600 Congress Avenue, Suite 1220 Austin, TX 78701	241,753	1.4%
ANPG Lending LLC (8) c/o Romulus Holdings 2200 Fletcher Avenue Fort Lee, NJ 07024	3,224,137	4.9%

(1) Beneficial ownership is calculated based on 16,503,654 shares of our common stock issued and outstanding as of June 29, 2009. Beneficial ownership is determined in accordance with Rule 13d-3 of the Securities and Exchange Commission. The number of shares beneficially owned by a person includes shares of common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days following the date hereof. The shares issuable pursuant to those options or warrants are deemed outstanding for computing the percentage ownership of the person holding these options and warrants but are not deemed outstanding for the purposes of computing the percentage ownership of any other person. The persons and entities named in the table have sole voting and sole investment power with respect to the shares set forth opposite the stockholder's name, subject to community property laws, where applicable.

(2) The address for the directors and named executive officers is c/o Anpath Group, Inc., 116 Morlake Drive, Suite 201, Mooresville, North Carolina 28117.

(3) Includes 200,775 common stock shares, 750,000 shares of common stock issuable upon the exercise of options at an exercise price of $2.50 per share and 116,146 shares of common stock issuable upon the exercise of options at an exercise price of $0.88 per share. Also includes 62,624 shares of common stock issuable upon exercise of options to purchase shares of EnviroSystems preferred stock, using a conversion ratio of 1.956994 shares of our common stock for each share of EnviroSystems preferred stock issuable upon exercise. Mr. Breedlove holds options to purchase 32,000 shares of EnviroSystems preferred stock which are exercisable to purchase up to 62,624 shares of our common stock based on the conversion ratio. Such number of shares was determined assuming the exercise of all options and warrants to purchase EnviroSystems preferred stock. In the event such options and/or warrants expire without being exercised, then any shares of common stock issuable upon exercise shall be distributed pro-rata among the EnviroSystems preferred stockholders. In the event of such a pro-rata distribution, Mr. Breedlove would be eligible to receive additional shares of common stock. This amount does not include 750,000 shares of common stock issuable upon the exercise of options at an exercise price of $0.24 per share which have not vested.

(4) Includes 110,540 common stock shares, 166,666 shares of common stock issuable upon the exercise of options at an exercise price of $2.20 per share and 6,818 shares of common stock issuable upon the exercise of options at an exercise price of $0.88 per share. Mr. Hoelscher is a 5% owner and the CFO of Mastodon Ventures, Inc. Such shares do not include the shares of common stock issuable upon exercise of warrants to purchase common stock held by MV Nanotech Corp, a subsidiary of Mastodon Ventures, Inc. This amount does not include 33,334 shares of common stock issuable upon the exercise of options at an exercise price of $2.20 per share which have not vested. This amount does not include 200,000 shares of common stock issuable upon the exercise of options at an exercise price of $0.24 per share which have not vested.

(5) Includes 2,500,000 shares of common stock issuable upon the exercise of warrants to purchase common stock. Also includes 415,562 shares of common stock issued in exchange for shares of EnviroSystems preferred stock.

(6) Includes 1,000,000 shares of common stock owned by Alma and Gabriel Elias and also includes 485,000 shares of common stock owned by Wholesale Realtors Supply. Gabriel Elias has voting control over the shares held by Wholesale Realtors Supply.

(7) Includes 241,753 shares of common stock issuable upon the exercise of warrants held by MV Nanotech Corp.

(8) Such shares include 735,000 shares of common stock out of a total of approximately 3,224,137 shares of common stock issuable upon the conversion of convertible promissory notes (the "Notes") and 1,500,000 issuable upon the exercise of warrants (the "Warrants"). The Notes have an aggregate principal balance of $1,500,000 and are convertible into shares of common stock at a price of $0.87 per share, subject to adjustment pursuant to anti-dilution provisions in the Notes. The Warrants have an exercise price of $0.87 per share, subject to adjustment pursuant to anti-dilution provisions in the Warrants. The Notes and Warrants have limits on exercise and conversion. According to the terms of the Notes and the Warrants held by ANPG Lending LLC, it is prohibited from converting the Notes or exercising its Warrants if after such exercise or conversion, ANPG Lending LLC's percentage ownership of common stock would exceed 4.9%. If there were no such restrictions in the Notes and Warrants, and ANPG Lending LLC had the right to exercise such Notes and Warrants for all 3,224,137 shares, ANPG Limited LLC would be deemed to own approximately 16.3% of our common stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Party Transactions

Other than the compensation and employment arrangements described above, we have not entered into any transactions with any of our directors or executive officers or their immediate family members during the fiscal ended March 31, 2009.

Director Independence

The Company's board of directors reviewed the independence of the directors using the criteria established by the American Stock Exchange. As of March 31, 2009, the Board determined that none of its directors are independent based upon such criteria.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Williams & Webster, P.A. was our independent registered public accounting firm for fiscal years ended March 31, 2009 and 2008. Set forth below are the fees and expenses for Williams & Webster, P.A. for each of the last two years for the following services provided to us:

	2009	2008
Audit Fees	$ 65,130	$ 45,844
Audit Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—

Except as described above, we have not been billed for any services by Williams & Webster, P.A. Our Board of Directors acts as our audit committee. Our Board of Directors has not authorized Williams & Webster, P.A. to provide any other services for us.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

(a) (1) Financial Statements.

The financial statements listed in the Index to Consolidated Financial Statements appearing on page F-1 of this Form 10K are filed as a part of this report.

(2) Financial Statement Schedules

There are no financial statement schedules included in this annual report.

(3) The exhibits listed below are filed as part of this annual report.

Exhibit Number	Exhibit Description
3.1	Composite Certificate of Incorporation (11)
3.2	By-Laws (1)
4.1	Specimen Certificate of Common Stock (1)
4.2	Form of Warrant (5)
4.3	Warrant, dated July 6, 2007 (8)
4.4	Form of Note (10)
4.5	Form of Warrant (10)
10.1	2004 Equity Compensation Plan (1)
10.2	Securities Purchase Agreement, dated as of October 31, 2005 between MV Nanotech Corp. and Telecomm Sales Network, Inc. (2)
10.3	Agreement and Plan of Merger, dated as of November 11, 2005 by and between Telecomm, TSN Acquisition Corporation and EnviroSystems, Inc. (Nonmaterial schedules and exhibits identified in the Agreement and Plan of Merger have been omitted pursuant to Item 601b.2 of Regulation S-K. Telecomm Sales Network, Inc. agrees to furnish supplementally to the Commission upon request by the Commission a copy of any omitted schedule or exhibit.) (3)
10.4	Escrow and Lock-Up Agreement, dated as of November 11, 2005 by and between Telecomm, Daniel Ferguson, as shareholder agent, EnviroSystems and Jerold K. Levien, Esq. as escrow agent.(4)
10.5	Form of Registration Rights Agreement between Telecomm Sales Network, Inc. and the other signatories thereto. (5)
10.6	Commercial Lease Agreement dated June 6, 2006 by and between Morlake Executive Suites and EnviroSystems, Inc. (5)
10.7	Telecomm Sales Network, Inc. 2006 Stock Incentive Plan (5)+
10.8	Form of Incentive Stock Option Agreement (5)+
10.9	Form of Non-Qualified Stock Option Agreement (5)+
10.10	Form of Restricted Stock Agreement (5)+
10.11	Employment Agreement made as of January 19, 2006 between Telecomm Sales Network, Inc. and J. Lloyd Breedlove(4)
10.12	Manufacturing Agreement dated as of August 1, 2006 between EnviroSystems, Inc. and Minntech Corporation (6) *
10.13	Intellectual Property Assignment Agreement between EnviroSystems, Inc. American Children's Foundation, Richard H. Othus, Andrew D.B. Lambie and Cascade Chemical Corporation.(9)
10.14	Consent Agreement and Final Order with United States Environmental Protection Agency (6)
10.15	Securities Purchase Agreement dated as of March 7, 2007 between MV Nanotech Corp., the Singer Children's Management Trust and, solely with respect to sections 4 and 8, Anpath Group, Inc.
10.16	Settlement Agreement dated as of July 6, 2007 by and among Anpath Group, Inc., MV Nanotech Corp. and The Ferguson Living Trust UTD 8/13/74 and Daniel Ferguson in his capacity as Shareholder Agent (8)
10.17	Lock-Up Agreement made and entered into as of July 6, 2007 (8)
10.18	Loan and Security Agreement dated as of January 8, 2008 by and between Anpath Group, Inc. and ANPG Lending LLC (without exhibits or schedules). (10)
10.19	Securities Repurchase Agreement dated as of January 8, 2008 by and between Anpath Group, Inc, ANPG Lending LLC and the Singer Children's Management Trust (without exhibits or schedules) (10).
10.20	Form of Subscription Agreement between the Company and the investors in the Company's December 2008 offering of Units consisting of Notes and Warrants (12)
10.21	Form of Note (12)
10.22	Form of Warrant (12)
10.23	Form of Registration Rights Agreement between the Company and each of the investors in the Company's December 2008 offering (12)
21.1	Subsidiaries of the Registrant (12)
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 (12)
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002 (12)
32.1	Certification of the CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (12)

(1) Filed as an exhibit to the registrant's Registration Statement on Form SB-2 filed on March 16, 2005 and incorporated herein by reference.
(2) Filed as an exhibit to the registrant's Current Report on Form 8-K filed on November 11, 2005 and incorporated herein by reference.
(3) Filed as an exhibit to the registrant's Current Report on Form 8-K filed on November 17, 2005 and incorporated herein by reference.
(4) Filed as an exhibit to the registrant's Current Report on Form 8-K filed on January 12, 2006 and incorporated herein by reference.
(5) Filed as an exhibit to the registrant's Transition Report on Form 10KSB filed on June 29, 2006 and incorporated herein by reference.
(6) Filed as an exhibit to the registrant's Form 10-QSB for the quarter ended September 30, 2006 filed on November 15, 2006.
(7) Filed as an exhibit to the registrant's Current Report on Form 8-K filed on January 17, 2007 and incorporated herein by reference.
(8) Filed as an exhibit to the registrant's Current Report on Form 8-K filed on July 10, 2007 and incorporated herein by reference.
(9) Filed as an exhibit to Amendment 2 to the registrant's registration statement on Form SB-2 filed on April 16, 2007 and incorporated herein by reference.
(10) Filed as an exhibit to the registrant's Current Report on Form 8-K filed on January 14, 2008 and incorporated herein by reference
(11) Filed as an exhibit to the registrant's Transition Report on Form 10K filed on July 9, 2008 and incorporated herein by reference.
(12) Filed herein

+ Denotes a management contract or compensatory plan or arrangement
***** Pursuant to a request for confidential treatment which has been granted by the SEC, certain confidential portions of this document have been omitted and furnished separately to the SEC in accordance with Rule 406(b).

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

July 10, 2009

ANPATH GROUP, INC.

By: /s/ J. Lloyd Breedlove
Name: J. Lloyd Breedlove
Title: President and CEO

In accordance with the Securities Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

July 10, 2009

/s/ J. Lloyd Breedlove
J. Lloyd Breedlove, President, Chief Executive Officer and Director (principal executive officer)

July 10, 2009

/s/ Stephen Hoelscher
Stephen Hoelscher, Chief Financial Officer and Director (principal financial and accounting officer)

To the Board of Directors and
Stockholders of Anpath Group, Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have audited the accompanying consolidated balance sheets of Anpath Group, Inc. and subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Anpath Group, Inc. and subsidiaries as of March 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses and has an accumulated deficit at March 31, 2009 and 2008. These factors raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Williams & Webster, P.S.
Certified Public Accountants
Spokane, Washington
July 10, 2009

ANPATH GROUP, INC
Consolidated Balance Sheets as of March 31, 2009 and 2008

	Year Ended March 31, 2009	2008
ASSETS		
CURRENT ASSETS		
Cash	$ 11,231	$ 351,627
Accounts receivable, net	10,241	16,880
Prepaid expenses	4,817	96,061
Inventory	22,354	49,399
TOTAL CURRENT ASSETS	48,643	513,967
PROPERTY AND EQUIPMENT		
Furniture & fixtures	205,694	205,694
Machinery & equipment	195,137	195,137
Capitalized software	3,210	3,210
Less accumulated depreciation	(205,676)	(138,712)
TOTAL FIXED ASSETS	198,365	265,329
OTHER ASSETS		
Trade secrets	1,026,000	1,026,000
Deposits	198,082	244,338
TOTAL OTHER ASSETS	1,224,082	1,270,338
TOTAL ASSETS	$ 1,471,090	$ 2,049,634
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 395,525	$ 121,727
Accrued interest payable	135,570	23,877
Wages payable	188,840	—
Current maturities of long term debt, net of discount	1,484,357	—
TOTAL CURRENT LIABILITIES	2,204,292	145,604
LONG TERM LIABILITIES		
Notes payable, net of discount	—	250,000
TOTAL LONG TERM LIABILITIES	—	250,000
TOTAL LIABILITIES	—	395,604
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY		
Preferred stock, $0.0001 par value; 5,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $0.0001 par value; 100,000,000 shares authorized, 16,203,654 and 14,249,889 shares issued and outstanding	1,620	1,425
Additional paid-in capital	28,863,063	27,226,561
Accumulated deficit	(29,597,885)	(25,573,956)
TOTAL STOCKHOLDERS' EQUITY	(733,202)	1,654,030
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,471,090	$ 2,049,634

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

ANPATH GROUP, INC
Consolidated Statements of Operations
For the fiscal years ended March 31, 2009 and 2008

	Years Ended March 31,	
	2009	**2008**
REVENUES	$ 85,969	$ 115,284
COST OF SALES	77,612	139,537
Gross Profit	8,357	(24,253)
EXPENSES		
Sales	339,697	309,257
Product development	433,556	500,106
Corporate	729,268	1,098,480
Finance and administrative	403,284	443,241
Consultants	261,375	1,010,487
Compensation cost for re-pricing warrants	582,056	931,993
Financing expense	1,171,363	250,000
Total Expenses	3,920,599	4,543,564
LOSS FROM OPERATIONS	(3,912,242)	(4,567,817)
OTHER INCOME (EXPENSE)		
Interest expense	(111,693)	(23,877)
Interest income	6	17,742
Impairment of long lived assets	—	(374,000)
Total Other Income (Expense)	(111,687)	(380,135)
LOSS BEFORE TAXES	(4,023,929)	(4,947,952)
INCOME TAX EXPENSE	—	(349)
NET LOSS	$ (4,023,929)	$ (4,948,301)
BASIC AND DILUTED NET LOSS PER SHARE	$ (0.28)	$ (0.33)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	14,650,443	14,793,058

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

ANPATH GROUP, INC
Consolidated Statements of Shareholders' Equity
For fiscal years ended March 31, 2009 and 2008

	Common Stock Shares	Amount	Additional Paid-in Capital	Accumulated (Deficit)	Total Stockholders' Equity
Balance, March 31, 2007	16,299,889	$ 1,630	$ 23,789,948	$ (20,625,655)	$ 3,165,923
Common stock issued at a price of $1.25 per sharein the exercise of warrants	200,000	20	249,980	—	250,000
Common stock issued for services	500,000	50	877,450	—	877,500
Common stock surrendered in Settlement Agreement	(2,500,000)	(250)	250	—	—
Common stock purchased and held in Treasury	(250,000)	(25)	(624,975)	—	(625,000)
Stock options granted and warrants issued	—	—	2,001,915	—	2,001,915
Warrants re-priced	—	—	931,993	—	931,993
Net loss for the year ended March 31, 2008	—	—	—	(4,948,301)	(4,948,301)
Balance, March 31, 2008	14,249,889	1,425	27,226,561	(25,573,956)	1,654,030
Common stock issued at a price of $.20 per share in the exercise of warrants	675,000	68	134,932	—	135,000
Common stock issued for services	1,165,129	116	325,886	—	326,002
Common stock and warrants issued at a price of $.88 per share for cash	113,636	11	99,989	—	100,000
Stock options granted and warrants issued	—	—	405,079	—	405,079
Warrants re-priced for cash at $.20 per warrant	—	—	88,560	—	88,560
Warrants re-priced in exchange for services rendered	—	—	582,056	—	582,056
Net loss for the year ended March 31, 2009	—	—	—	(4,023,929)	(4,023,929)
Balance, March 31, 2009	16,203,654	$ 1,620	$ 28,863,063	$ (29,597,885)	$ (733,202)

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

ANPATH GROUP, INC
Consolidated Statement of Cash Flows
For the fiscal years ended March 31, 2009 and 2008

	Year Ended March 31,	
	2009	**2008**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (4,023,929)	$ (4,948,301)
(Gain) loss on disposal of assets	—	—
Depreciation and amortization	66,964	54,542
Stock issued for services	326,002	877,500
Stock options granted and warrants issued	363,587	2,933,908
Warrants re-priced in exchange for services	623,548	—
Financing expense	1,171,363	250,000
Adjustments to reconcile net loss to net cash used by operations:		
Decrease (increase) in accounts receivable	6,639	491
Decrease (increase) in prepaid expenses	91,244	(65,568)
Decrease (increase) in inventory	27,045	48,680
Decrease in trade secrets	—	374,000
Decrease (increase) in deposits	46,256	(33,480)
Increase (decrease) in accounts payable & accrued expenses	273,798	67,170
Increase (decrease) in accrued interest payable	111,693	—
Increase (decrease) in wages payable	188,840	—
Increase (decrease) in discount on note payable	(195,216)	(1,500,000)
Increase (decrease) in product recall reserve	—	(26,999)
Net cash used by operating activities	(922,166)	(1,968,057)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	—	(21,811)
Net cash provided (used) in investing activities	—	(21,811)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	393,210	1,500,000
Payments on notes payable	(135,000)	—
Proceeds from the re-price of warrants	88,560	—
Proceeds from exercise of warrants	100,000	250,000
Sale (Purchase) of common stock	135,000	(625,000)
Net cash provided by financing activities	581,770	628,608
NET INCREASE (DECREASE) IN CASH	(340,396)	(864,868)
CASH - Beginning of period	351,627	1,216,495
CASH - End of period	$ 11,231	$ 351,627
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Interest expense	$ —	$ —
Income taxes	$ —	$ 349

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

ANPATH GROUP, INC
Consolidated Statement of Cash Flows
For the fiscal years ended March 31, 2009 and 2008

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Anpath Group, Inc. (hereinafter "the Company") was incorporated in the State of Delaware on August 26, 2004. The principal business of the Company is a holding company. The Company's sole subsidiary is EnviroSystems, Inc. (hereinafter "ESI") The Company's name was changed to Anpath Group, Inc on January 8, 2007. Formerly name was Telecomm Sales Network, Inc. The Company's headquarters is located in Mooresville, North Carolina and its year end is March 31.

ESI provides infection control products on an international basis through both direct sales and channels of distribution. While ESI's current focus is on the health care market, products are also sold to transportation, military and industrial/institutional markets. ESI products are manufactured utilizing chemical-emulsion technology, designed to make the products effective against a broad spectrum of harmful organisms while safe to people, equipment and habitat.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Accounting Method
The Company's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents
The Company considers all unrestricted cash, short-term deposits, and other investments with original maturities of no more than ninety days when acquired to be cash and cash equivalents for the purposes of the statement of cash flows

Accounts Receivable
Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within thirty days from the invoice date or as specified by the invoice and are stated at the amount billed to the customer. Customer account balances with invoices dated over ninety days or ninety days past the due date are considered delinquent.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amount that will not be collected. Management reviews all accounts receivable balances that are considered delinquent and, based on an assessment of current credit worthiness, estimates the portion, if any, of the balance that will not be collected. In addition, management periodically evaluates the adequacy of the allowance based on the Company's past experience. Allowance for doubtful accounts amounted to $-0- and $889 at March 31, 2009 and 2008, respectively.

Advertising
The Company expenses advertising costs as they are incurred and are included as part of Sales expense. For the years ended March 31, 2009 and 2008 the Company incurred $13,902 and $5,150, respectively in advertising cost.

Basic and Diluted Loss Per Share
Loss per share was computed by dividing the net loss by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. At March 31, 2009 and 2008, basic and diluted net loss per share are the same, as for the years ended March 31, 2009 and 2008, potentially dilutive securities have not been included in the diluted loss per common share calculation as they would have been anti-dilutive. As of March 31, 2009 and 2008, the Company had stock equivalents of 9,051,465 and 9,333,815 outstanding.

Compensated Absences
Employees earn personal leave time based on hours worked and longevity. These benefits are vested when earned but cannot be carried over from calendar year to calendar year. Benefits are accrued as they are earned and are reflected in the financial statements. Accrued compensated absences at March 31, 2009 and 2008 were $31,636 and $28,289, respectively.

Contingent Liability
In accordance with Statement of Financial Accounting Standards Interpretation No. 14, the Company may have certain contingent liabilities with respect to material existing or potential claims, lawsuits and other proceedings. The Company accrues liabilities when it is probable that future cost will be incurred and such cost can be measured.

Derivative Instruments
The Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB No. 133", SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities", and SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities", which is effective for the Company as of its inception. These statements establish accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. They require that an entity recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value.

If certain conditions are met, a derivative may be specifically designated as a hedge, the objective of which is to match the timing of gain or loss recognition on the hedging derivative with the recognition of (i) the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk or (ii) the earnings effect of the hedged forecasted transaction. For a derivative not designated as a hedging instrument, the gain or loss is recognized in income in the period of change. The Company has not entered into derivatives contracts to hedge existing risks or for speculative purposes as of March 31, 2009 and 2008.

Fair Value of Financial Instruments
The Company's financial instruments as defined by Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," may include cash, receivables, and advances, accounts payable and accrued expenses. All such instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at March 31, 2009 and 2008.

SFAS No. 157, "Fair Value Measurements("SFAS 157), define fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date. The Company has no Level 1 assets or liabilities; and

Level 2. Inputs from other than quoted prices in active markets that are observable either directly or indirectly. The Company has no Level 2 assets or liabilities; and

Level 3. Unobservable inputs in which there is little of no market data, which require the reporting entity to develop its own assumptions. The Company has no Level 3 assets or liabilities.

The Company has not applied the provisions of SFAS No. 157 to non-financial assets and liabilities that are of a nonrecurring nature in accordance with FASB Staff Position (FSP) Financial Accounting Standard 157-2, Effective Date of FASB Statement No. 157 (FSP 157-2). FSP 157-2 delayed the effective date of application of SFAS 157 to non-financial assets and liabilities that are of a nonrecurring nature until January 1, 2009. FSP 157-2 will not have a material effect on the Company's financial position, results of operations and cash flows.

Fixed Assets
Equipment is recorded at cost. Depreciation and amortization are provided using the straight-line method over the useful lives of the respective assets, typically 3-7 years. Major additions and betterments are capitalized. Upon retirement or disposal, the cost and related accumulated depreciation or amortization is removed from the accounts and any gain or loss is reflected in operations.

The following table summarizes the Company's fixed assets:

	March 31, 2009	March 31, 2008
Office Equipment	$ 51,347	$ 51,347
Furniture & Fixtures	11,825	11,825
Marketing/Trade Shows	2,659	2,659
Manufacturing Equipment	195,138	195,138
Laboratory Equipment	139,138	118,051
Capitalized Software	3,210	3,210
	382,230	382,230
Allowance for Depreciation	(205,676)	(138,712)
Fixed Assets, net	$ 198,365	$ 265,329

Depreciation expense for the year ended March 31, 2009 and 2008 was $66,964 and $54,542, respectively.

Depreciation expense on manufacturing equipment is included as a part of Cost of Sales on the Consolidated Statement of Operations. During the year ended March 31, 2009 and 2008, depreciation expense on manufacturing equipment was $2,733 and $3,618.

Depreciation expense in the amount of $34,371 and $27,742 for the years ended March 31, 2009 and 2008 was recorded for manufacturing equipment that sat idle and is included as part of Expenses on the Consolidated Statement of Operations.

Depreciation expense on all other equipment is included as part of Expenses on the Consolidated Statement of Operations.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern.

As shown in the financial statements, the Company incurred a net loss for the years ended March 31, 2009 and 2008, and has an accumulated deficit since the inception of the Company. These factors indicate that the Company may be unable to continue in existence. The financial statements do not include any adjustments related to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue existence. The Company anticipates its projected business plan will require a minimum of approximately $1,800,000 to continue operations for the next twelve months.

Impairment of Long Lived Assets

The Company assesses potential impairment of its long lived assets, which include its property and equipment and its identifiable intangibles such as its trade secrets under the guidance of Statement of Financial Standards No. 144, “Accounting for the Impairment or Disposal of Long Lived Assets.” On an annual basis, or as events and circumstances indicate that an asset may be impaired, the Company assesses potential impairment of its long lived assets. The Company determines impairment by measuring the undisclosed future cash flows generated by the assets, comparing the results to the assets’ carrying value and adjusting the assets to the lower of the carrying value to fair value and charging current operations for any measured impairment. The Company determined that the Trade Secrets was impaired by $374,000 during the year ended March 31, 2008 and has taken a charge for this amount. As of March 31, 2009 no further impairment of this trade secret was deemed necessary.

Concentration Risk

Sales to our top ten customers represented approximately 98.58% and 98.45% of our sales for the years ended March 31, 2009 and 2008. During the years ended March 31, 2009 and 2008 approximately 51% and 53% of our sales came from the EnviroTru products while 29% and 47% came from cleaning wipes. In the year ended march 31, 2009 we started selling an electrostatic sprayer and approximately 20% of our revenues came from the sales of sprayers.

Suppliers

We rely upon a single supplier to provide us with PCMX, which is the biocide used in our chemical emulsion disinfectant products. Although there are other suppliers of this material, a change in suppliers would cause a delay in the production process, which could ultimately affect operating results.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary. All significant intercompany transactions and balances have been eliminated in consolidation. References herein to the Company include the Company and its subsidiaries, unless the context otherwise requires.

Recent Accounting Pronouncements

SFAS 165

In May 2009, the FASB issued Statements of Financial Standards No. 165 (“SFAS No. 165”),*Subsequent Events*. SFAS No. 165 requires all public entities to evaluate subsequent events through the date that the financial statements are available to be issued and disclose in the notes the date through which the Company has evaluated subsequent events and whether the financial statements were issued or were available to be issued on the disclosed date. SFAS No. 165 defines two types of subsequent events, as follows: the first type consists of events or transactions that provide additional evidence about conditions that existed at the date of the balance sheet and the second type consists of events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date. SFAS No. 165 is effective for interim and annual periods ending after June 15, 2009 and must be applied prospectively.

EITF 07-03

In September 2007, the Emerging Issues Task Force ("EITF") issued EITF Issue No. 07-03,*Accounting for Advance Payments for Goods or Services to Be Used in Future Research and Development Activities* ("EITF Issue No. 07-03"). EITF Issue No. 07-03 addresses the diversity which exists with respect to the accounting for the nonrefundable portion of a payment made by a research and development entity for future research and development activities. Under EITF Issue No. 07-03 an entity would defer and capitalize nonrefundable advance payments made for research and development activities until the related goods are delivered or the related services are performed. The Company's adoption of EITF Issue No. 07-03 as of April 1, 2008 did not have a material impact on its financial position or results of operations.

SFAS 157-3

In October 2008, the FASB issued FASB Staff Position No. FAS 157-3, *Determining the Fair Value of a Financial Asset in a Market That is Not Active* (FSP 157-3), which clarifies the application of SFAS 157 when the market for a financial asset is inactive. Specifically, FSP 157-3 clarifies how (1) the company's internal assumptions should be considered in measuring fair value when observable data are not present, (2) observable market information from an inactive market should be taken into account, and (3) the use of broker quotes or pricing services should be considered in assessing the relevance of observable and unobservable data to measure fair value. The guidance in FSP 157-3 is effective immediately. The adoption of FSP 157-3 did not have a material effect on the Company's financial statements.

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Reclassifications
Certain amounts have been reclassified from the prior financial statements for comparative purposes.

Revenue Recognition
Revenue is generally recognized and earned when all of the following criteria are satisfied: a) persuasive evidence of sales arrangements exists; b) delivery has occurred; c) the sales price is fixed or determinable; and d) collectibility is reasonably assured.

Persuasive evidence of an arrangement is demonstrated via a purchase order from our customers. Delivery occurs when title and all risks of ownership are transferred to the purchaser which generally occurs when the products are shipped to the customer. No right of return exists on sales of product except for defective or damaged products. The sales price to the customer is fixed upon acceptance of purchase order. To assure that collectability is reasonably assured, credit evaluations are performed on all customers.

Research and Development

Research and development costs are charged to expense as incurred.

Stock Based Compensation

The Company measures compensation cost for its stock based compensation plans under the provisions of Statement of Financial Accounting Standards No. 123(R), “Accounting for Stock Based Compensations.” This statement supersedes APB Opinion No. 25, “Accounting for Stock Issued to Employees,” and its related implementation guidance. This statement establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity’s equity instruments or that may be settled by the issuance of those equity instruments. This statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123(R) , "Accounting for Stock-Based Compensation", requires companies to include expenses in net income (loss) and earnings (loss) for each issuance of options and warrants. The Company uses the Black-Scholes option valuation model to value its issuance of options and warrants. The Company recorded compensation expense of $949,550 and $1,433,908 for years ended March 31, 2009 and 2008, respectively.

Trade Secret

The recorded value of the Company’s trade secret relating to the formula/formulation of ESI’s products at the time acquired by the Company was based upon the valuation of an independent appraiser. In accordance with SFAS No. 142, the Company has determined that its trade secret has an indefinite life. Accordingly, it is not subject to amortization, but is subject to the Company’s annual assessment of prospective impairment. The Company determined that the Trade Secrets was impaired by $374,000 during the year ended March 31, 2008 and has taken a charge for this amount. As of March 31, 2009 no further impairment of this trade secret was deemed necessary.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Company’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Company places its cash and cash equivalents with what management believes to be high credit quality financial institutions. At times such investments may be in excess of the FDIC insurance limit. The Company maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At March 31, 2009 and 2008, the Company’s uninsured cash balances total was $-0- and $256,142, respectively.

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NOTE 4 - INVENTORIES

Inventories are stated at the lower of cost or market (first-in, first out basis) and include purchased raw materials, work-in-process and finished goods and consist of the following:

	March 31,	
	2009	2008
Raw material	$ 22,354	$ 36,540
Work-in-progress	—	—
Finished goods	—	12,859
Inventory, net	$ 22,354	$ 43,399

NOTE 5 - INCOME TAXES

Income taxes are provided based upon the liability method of accounting pursuant to Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the "more likely than not" standard imposed by SFAS 109 to allow recognition of such an asset.

At March 31, 2009 and 2008, the Company had deferred tax assets calculated at an expected rate of 34% of approximately $10,063,000 and $8,695,000, principally arising from net operating loss carryforwards and stock compensation. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the deferred tax asset, a valuation allowance equal to the deferred tax asset has been recorded.

The significant components of the deferred tax assets at March 31, 2009 and 2008 were as follows:

	March 31,	
	2009	2008
Net operating loss carryforward:	$ 29,598,000	$ 25,574,000
Deferred tax asset	$ 10,063,000	$ 8,695,000
Deferred tax asset valuation allowance	(10,063,000)	(8,695,000)
Net deferred tax asset	$ —	$ —

At March 31, 2009 and 2008, the Company has net operating loss carryforwards of approximately $29,598,000 and $25,574,000, respectively, which begin to expire in the year 2014 through 2029. The change in valuation allowance from March 31, 2008 to March 31, 2009 is $1,368,000.

Although we believe that our estimates are reasonable, no assurance can be given that the final tax outcome of these matters will not be different than that which is reflected in our tax provisions. Ultimately, the actual tax benefits to be realized will be based upon future taxable earnings levels, which are very difficult to predict.

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NOTE 6 - NOTES, LOANS AND CONVERTIBLE DEBT

Notes payable consists of the following:

	March 31,	
	2009	**2008**
7% note due July 8, 2010 payable to ANPG Lending, LLC	$ 1,500,000	$ 1,500,000
6% notes due on or before May 10, 2009 payable to our CEO	102,210	-
6% notes due on or before February 24, 2009 payable to Arthur Douglas & Associates	85,000	-
6% notes due December 29, 2008 payable to our CFO	6,000	-
10% note due April 8, 2009 payable to an unrelated individual	25,000	-
10% note due June 10, 2009 payable to an unrelated individual	20,000	-
10% note due June 24, 2009 payable to an unrelated individual	20,000	-
Discount on notes payable	(273,853)	(1,250,000)
	$ 1,484,357	$ 250,000

During the year ended March 31, 2009 the Company borrowed from various parties the aggregate amount of $393,210. These loans are due on demand after 90 days and bear interest of 6% to 10% payable at maturity. Each note is convertible into common stock of the Company at a conversion rate of $.20 to $.88 per share. The loans are initially convertible into 697,966 shares of the Company's common stock. Detachable warrants were also issued with each note giving the holder the right to purchase an aggregate 512,966 shares of the Company's common stock at an exercise rice of $.20 to $.88 per share.

In accordance with EITF 00-27, the Company recognized the beneficial conversion feature associated with the notes convertibility into shares and warrants. The total value of warrants was determined using the Black Scholes Option Price Calculation. In employing this model, the following assumptions were used the actual three month T-Bill rate on the advance dates for the risk-free rate. The actual share price on advance dates; expected volatility of 67.36%, no dividends and a five year horizon in all Black Scholes Option Price calculations. The total value of warrants was $122,173 and the total value of shares was $73,142.

Following the guidance provided by EITF 00-27 the Company allocated proceeds first to the warrants issuable upon conversion of the note. The value of the warrants was recorded on the balance sheet as debt discounts and increases to shareholder's equity. The debt discounts are being amortized over the remaining life of the convertible note.

On January 8, 2008, the Company completed a financing transaction with ANPG Lending, LLC, (the "LLC") pursuant to the terms of a Loan and Security Agreement by and between the Company and the LLC. Pursuant to the Loan Agreement, the Company issued to the LLC convertible promissory notes for an aggregate principal amount of $1,500,000. The Loan Agreement also provides that the LLC may make up to an additional $500,000 in advances to the Company in the discretion of the LLC. In addition to the Notes, the Company issued to the LLC warrants to purchase up to an aggregate of 750,000 shares of the Company's common stock. The Warrants have terms of 5 years and are exercisable at an initial exercise price $0.87 per share, subject to certain anti-dilution adjustments.

Pursuant to the Loan Agreement, the Company granted to the LLC a security interest in the Company's assets and properties to secure the Company's obligations under the Notes to the LLC.

As a condition to obtaining the Financing, the Company entered into a Securities Repurchase Agreement by and between the Company, the LLC and the Singer Children's Management Trust (the "Trust") pursuant to which the Company repurchased from the Trust 250,000 shares of the Company's common stock and warrants to purchase up to an aggregate of 750,000 shares of the Company's common stock at an exercise price of $2.50 per share for an aggregate purchase price of $625,000. The Company used $625,000 from the LLC to pay the purchase price for the Securities and used $30,000 to pay the lenders legal expenses of the transaction. Pursuant to the Repurchase Agreement, the Company issued to the LLC three additional Warrants to purchase up to an aggregate of 750,000 shares of our common stock. The Warrants have terms of 5 years and are exercisable at an initial exercise price $0.87 per share, subject to certain anti-dilution adjustments. The warrants can be exercised using a cashless exercise exchange and will automatically be exercised at the termination of the term if the price of the Company's common stock on such date is above $0.87 per share, subject to certain adjustments.

As a result of the foregoing transactions, the Company was able to obtain net proceeds of approximately $845,000 to be used for general working capital purposes.

The Notes are due and payable on July 8, 2009. The Notes bear interest at a rate of 7% per annum and interest accrues and is payable on the maturity date of the Notes. The Notes are convertible into shares of common stock of the Company at an initial conversion price of $0.87. The conversion price is subject to certain anti-dilution adjustments.

In accordance with EITF 00-27, the Company recognized the beneficial conversion feature associated with the notes convertibility into shares and warrants. The total value of warrants was determined using the Black Scholes Option Price Calculation. In employing this model, the following assumptions were used the actual three month T-Bill rate on the advance dates for the risk-free rate; the actual share price on advance dates; expected volatility of 63%, no dividends and a five year horizon in all Black Scholes Option Price calculations. The total value of warrants was $778,500 and the total value of shares was $721,500.

Following the guidance provided by EITF 00-27 the Company allocated proceeds first to the warrants issuable upon conversion of the note. The value of the warrants was recorded on the balance sheet as debt discounts and increases to shareholder's equity. The debt discounts are being amortized over the remaining life of the convertible note. The value of warrants in excess of the actual debt advance amounts were expensed as financing fees.

NOTE 7 - COMMITMENT AND CONTINGENCIES

Operating Leases

The Company has formal operating leases for all of its office and laboratory space. Rent expense relating to operating space leased was approximately $84,166 and $111,124 for the years ended March 31, 2009 and 2008, respectively.

	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Office Lease	$ 35,400	$ 35,400	—	—	—
Laboratory Lease (1)	—	—	—	—	—
Total Contractual Cash Obligations	$ 35,400	$ 35,400	—	—	—

(1) The laboratory lease has expired and the Company continues leasing these premises on a month to month basis

Executive Employment Contracts

The Company has entered into a three year employment contract with a key Company executive that provides for the continuation of salary to the executive if terminated for reasons other than cause, as defined in those agreements. At January 9, 2009 the contract expired and has not been renewed. The Company also issued 750,000 stock options to purchase 750,000 common stock shares at $2.50 per share. The Company valued the options using the Black-Scholes option pricing calculation model and recognized $242,060 of compensation expense in the year ended March 31, 2008. All of these were fully vested at March 31, 2009.

NOTE 8 - PREFERRED STOCK AND COMMON STOCK

Preferred Stock

The Company is authorized to issue 5,000,000 shares of $0.0001 par value preferred stock, which may be issued in one or more series at the sole discretion of the Company's board of directors. The board of directors is also authorized to determine the rights, preferences, and privileges and restrictions granted to or imposed upon any series of preferred stock. As of March 31, 2009 and 2008, no preferred stock has been issued by the Company.

Common Stock

The Company is authorized to issue 100,000,000 shares of $0.0001 par value common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company.

Common Stock and Warrants issued for Cash

On June 26, 2008, the Company entered into a Securities Purchase Agreement with The OGP Group LLC, a Delaware limited liability company ("OGP") pursuant to which the Company sold to OGP 113,636 shares of restricted common stock of the Company at a price of $0.88 per Share. In addition, the Company issued to OGP a five year warrant to purchase up to an aggregate of 113,636 shares of the Company's common stock at an exercise price of $0.88 per share. (See Note 11 Related Party Transactions)

Common Stock Issued for Services

On March 31, 2009 the Company issued 565,129 shares to four officers in lieu of salaries of $121,502 for the months of February and March 2009.

On October 1, 2008, the Company entered into a consulting agreement with Arthur Douglas and Associates, Inc for investment relations services. The Company agreed to pay compensation to Arthur Douglas and Associates, Inc of 100,000 shares of restricted common stock per month for a period of 12 months. During the year ended March 31, 2009, the Company issued 600,000 shares of restricted common stock valued at $204,500 to Arthur Douglas and Associates.

On January 1, 2008, the Company entered into a consulting agreement with Arthur Douglas and Associates, Inc for investment relations services. The Company agreed to pay compensation to Arthur Douglas and Associates, Inc of 250,000 shares of restricted common stock for services for a six month period. The Company issued 250,000 shares of restricted common stock valued at $227,500 to Arthur Douglas and Associates.

On May 27, 2007, the Company entered into a consulting agreement with Arthur Douglas and Associates, Inc for investment relations services. The Company agreed to pay compensation to Arthur Douglas and Associates, Inc of 250,000 shares of restricted common stock for services for a six month period. The Company issued 250,000 shares of restricted common stock valued at $650,000 to Arthur Douglas and Associates.

Conversion of Note Payable for Common Stock
On December 17, 2008, MV Nanotech Corporation called its notes payable in the amount of $135,000 in exchange for the exercise of 675,000 common stock warrants. The Company issued 675,000 shares of restricted common stock in this transaction.

Warrant Exercise
On October 17, 2007, the Board of Directors agreed to re-price 800,000 warrants held by MV Nanotech Corporation. The original warrants had an exercise price of $2.50 per warrant. The new exercise price was set at $1.25 per warrant. Subsequently, MV Nanotech Corporation assigned the warrants to two unaffiliated entities who exercised 200,000 of the warrants. The Company received proceeds from the exercise of the warrants in the amount of $250,000. Due to the re-pricing, the Company recorded $701,192 in expense, calculated using the Black-Scholes option pricing method.

Refinancing
On January 8, 2008, the Company completed a financing transaction with ANPG Lending, LLC, (the “LLC”) pursuant to the terms of a Loan and Security Agreement by and between the Company and the LLC. As a condition to obtaining the Financing, the Company entered into a Securities Repurchase Agreement by and between the Company, the LLC and the Singer Children’s Management Trust (the “Trust”) pursuant to which the Company repurchased from the Trust 250,000 shares of the Company’s common stock and warrants to purchase up to an aggregate of 750,000 shares of the Company’s common stock at an exercise price of $2.50 per share for an aggregate purchase price of $625,000.

NOTE 9 - STOCK PURCHASE WARRANTS

On November 20, 2008, the Board of Directors approved the re-pricing of outstanding stock purchase warrants held by MV Nanotech Corporation and Arthur Douglas and Associates in connection with their assistance in raising capital funds for the Company. A total of 2,147,655 stock purchase warrants originally priced from $2.50 to $1.25 were re-priced to $.20 per stock purchase warrant. The Company valued the re-priced stock purchase warrants using the Black-Scholes option price calculation method. The Company recorded a charge of $582,056 for re-pricing these stock purchase warrants.

On November 26, 2008, the Board of Directors authorized the re-pricing of all outstanding stock purchase warrants as a means for raising additional capital. During December 2008, the Company received proceeds of $88,560 to re-price 442,801 stock purchase warrants to a new price of $.20 per stock purchase warrant. The original price of these stock purchase warrants ranged from $1.25 to $2.50 per stock purchase warrant.

The following is a summary of all common stock warrant activity during the two years ended March 31, 2009:

	Number of Shares Under Warrants	Exercise Price Per Share	Weighted Average Exercise Price
Warrants issued and exercisable at:			
March 31, 2007	4,713,533	$ 2.50-5.00	$ 2.89
Warrants issued	4,250,000	0.87 – 2.70	1.97
Warrants expired	(823,191)	5.00	5.00
Warrants exercised	(200,000)	1.25	1.25
Warrants issued and exercisable at:			
March 31, 2008	7,940,342	$ 0.87-5.00	$ 2.25
Warrants issued	626,600	0.87-2.70	1.97
Warrants expired	(248,928)	5.00	5.00
Warrants exercised	(675,000)	0.20	0.20
Warrants issued and exercisable at:			
March 31, 2009	7,643,014	$ 0.20-5.00	$ 2.25

The following represents additional information related to common stock warrants outstanding and exercisable at March 31, 2009:

	Outstanding and Exercisable		
Range of Exercise Price	Number of Shares Under Warrants	Weighted Average Remaining Contract Life in Years	Weighted Average Exercise Price
$0.20 - 5.00	641,414	0.77	$ 2.38
$0.20 - 2.50	2,125,000	1.03	0.95
$0.20 - 2.70	4,250,000	3.42	1.97
$0.20 – 0.88	626,600	4.52	0.56
	7,643,014	2.62	$ 1.55

The Company used the Black-Scholes option price calculation to value the warrants issued in the year ending March 31, 2009 and 2008 using the following assumptions: risk-free rate of 1.00-4.50%; volatility of 63-67%; zero dividend yield; the actual exercise term of the warrants issued and the exercise price of warrants issued.

NOTE 10 - EQUITY COMPENSATION PLAN

The Company has two stock option plans: (a) the 2006 Stock Incentive Plan and (b) the 2004 Equity Compensation Plan both which has been approved by the Board of Directors and the shareholders. Aggregate amounts of common stock that may be awarded and purchased under the Plans are 3,700,000 shares of the Company's common stock.

The exercise price for incentive stock options granted under the 2006 and 2004 Plans may not be less than the fair market value of the common stock on the date the option is granted, except for options granted to 10% stockholders which must have an exercise price of not less than 110% of the fair market value of the common stock on the date the option is granted. The exercise price for non-statutory options is determined by the Compensation Committee of our Board of Directors. Incentive stock options granted under the plans have a maximum term of ten years, except for grants to 10% stockholders which are subject to a maximum term of five years. The term of non-statutory stock options is determined by the Compensation Committee of our Board of Directors. Options granted under the plans are not transferable, except by will and the laws of descent and distribution.

Under the Plans during the years ended March 31, 2009 and 2008, the Company granted 42,000 and 98,200 stock options to employees and directors. The options were granted with an exercise prices $0.63-2.85 and will fully vest from one to four years of service. The options were valued using the fair value method as prescribed by SFAS No. 123 (R), resulting in a total value associated with these options for the year ended March 31, 2009 and 2008 of $15,000 and $86,612. Pursuant to SFAS No. 123(R), this amount will be accrued to compensation expense over the expected service term as vested. The accrued compensation expense related to these options for the year ended March 31, 2009 and 2008 is $210,861 and $455,817 and has been expensed in the years ended March 31, 2009 and 2008, respectively pursuant to the application of SFAS No. 123(R), and credited to additional paid-in capital.

As of March 31, 2009 there were 2,310,000 remaining options available to be issued in the 2006 Stock Incentive Plan and the 2004 Equity Compensation Plan.

The following is a summary of all common stock option activity during the two years ended March 31, 2009:

	Shares Under Options Outstanding	Weighted Average Exercise Price
Options outstanding at March 31, 2007	2,578,255	$ 2.73
Options granted	98,200	1.75
Options expired	—	—
Options exercised	—	—
Options outstanding at March 31, 2008	2,676,455	2.75
Options granted	42,000	0.63
Options expired or canceled	(1,169,903)	3.01
Options exercised	—	—
Options outstanding at March 31, 2009	1,548,552	$ 2.49

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	Options Exercisable	Weighted Average Exercise Price per Share
Options exercisable at March 31, 2008	2,298,955	$ 2.75
Options exercisable at March 31, 2009	1,548,552	$ 2.49

The following represents additional information related to common stock options outstanding and exercisable at March 31, 2009:

Range of Exercise Price	Number Outstanding at March 31, 2009	Weighted Average Remaining Contractual Life Years	Weighted Average Exercise Price (Total Shares)	Number Exercisable At March 31, 2009	Weighted Average Exercise Price (Exercisable Shares)
$ 3.40	63,854	5.59	$ 3.40	63,854	$ 3.40
$ 5.00	72,333	1.64	$ 5.00	72,333	$ 5.00
$ 1.61 - 2.95	22,365	7.21	$ 2.06	22,365	$ 2.06
$ 2.00 - 2.85	1,390,000	4.30	$ 2.32	1,217,500	$ 2.34
$ 1.61 - 5.00	1,548,552	4.27	$ 2.49	1,376,052	$ 2.53

Total compensation cost related to non-vested stock options as of March 31, 2009 and 2008 was $178,101 and $409,158, respectively.

Weighted average period of non-vested stock options was 7.31 years as of March 31, 2009.

The Company used the Black-Scholes option price calculation to value the options granted in the year ended March 31, 2009 and 2008 using the following assumptions: risk-free rate of 1.0% to 4.5%; volatility of 63%; zero dividend yield; half the actual term and exercise price of warrants granted.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Company's CFO, and member of the Board of Directors, is a 5% owner and CFO of Mastodon Ventures, Inc. Mastodon provides office space and incidentals for the CFO at no cost to the Company. On June 26, 2008 Mastodon advanced the Company $35,000 in a short-term advance. On June 30, 2008, the Company returned to Mastodon $35,000 in repayment of the June 26, 2008 advance and on that date had no balances outstanding with Mastodon.

On July 29, and August 12, 2008, MV Nanotech Corporation, a subsidiary of Mastodon made loans to the Company in the amounts of $75,000 and $60,000, respectively. The loans are due on demand after 90 days and bear interest at 6%. In addition, the Company issued to Mastodon five year warrants to purchase up to an aggregate of 153,409 shares of the Company's common stock at an exercise price of $0.88 per share. MV Nanotech transferred 100,000 of these warrants to a non-affiliated individual. On November 20, 2008, the Board of Directors re-priced all outstanding warrants held by MV Nanotech to $.20 per warrant. On December 17, 2008, MV Nanotech Corporation called its notes payable in the amount of $135,000 in exchange for the exercise of 675,000 common stock warrants. The Company issued 675,000 shares of restricted common stock in this transaction. At March 31, 2009, the Company does not owe MV Nanotech Corporation any amounts.

During the year ended March 31, 2009, the Company's CEO, made loans to the Company in the amount of $102,210. The loans are due on demand after 90 days and bear interest at 6%. In addition, the Company issued to the CEO five year warrants to purchase up to an aggregate of 116,146 shares of the Company's common stock at an exercise price of $0.88 per share. At March 31, 2009 the balance owed to the CEO on these loans was $102,210 plus accrued interest of $2,863.

On September 30, 2008, the Company's CFO, made a loan to the Company in the amounts of $6,000. The loan is due on demand after 90 days and bear interest at 6%. In addition, the Company issued to the CFO a five year warrant to purchase up to an aggregate of 6,818 shares of the Company's common stock at an exercise price of $0.88 per share. At March 31, 2009 the balance owed to the CFO on this loan was $6,000 plus accrued interest of $182.

At March 31, 2009 the CEO and CFO have deferred their salaries in the amount $97,500 and $58,340, respectively.

On June 26, 2008, The OGP Group LLC, purchased 113,636 shares of restricted common stock of the Company at a price of $0.88 per Share. In addition, the Company issued to OGP a five year warrant to purchase up to an aggregate of 113,636 shares of the Company's common stock at an exercise price of $0.88 per share. In a separate agreement between OGP and MV Nanotech Corporation, a subsidiary of Mastodon Ventures, Inc in which our CFO is a 5% owner and CFO, MV Nanotech has agreed to sell to OGP 50,000 shares of our Company common stock that MV Nanotech owns for $100. In addition after September 24, 2008, OGP has the right to present to MV Nanotech up to 113,636 shares of our common stock for purchase at a price of $1.00 per share.

NOTE 12 – SUBSEQUENT EVENTS

Private Placement

On December 11, 2008, the Company commenced a private offering, to accredited investors only, of up to 500 of its units (each a "Unit" and collectively, the "Units"), at a price of $10,000 per Unit, each Unit consisting of (i) an 8% subordinated convertible promissory note in the principal amount of $10,000, convertible into shares of the Company's common stock ("Common Stock") at an initial conversion price of $0.50 per share, maturing in one year, and (ii) a five year warrant to purchase up to 20,000 shares of Common Stock at an exercise price of $0.75 per share.

Through July 6, 2009 the Company has completed several rolling closings of the private offering. In the closings, Anpath sold approximately 90.5 units and received net proceeds of approximately $821,000 after payment of fees.

Forbearance Agreement with ANPG Lending, LLC

On June 26, 2009 the Company agreed to reduce the exercise price of the 1,500,000 warrants outstanding to ANPG Lending LLC to $0.20 in exchange for ANPG Lending LLC agreeing to extend the maturity date of the convertible loans aggregating $1,500,000 from July 8, 2009 to September 8, 2009 and the conversion price to $0.20 as well.

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Exhibit 10.20

Form of Subscription Agreement between the Company and the investors in the Company's December 2008 offering of Units consisting of Notes and Warrants

ANPATH GROUP, INC.

SUBSCRIPTION DOCUMENTS

December 1, 2008

ANPATH GROUP, INC.

SUBSCRIPTION INSTRUCTIONS

IMPORTANT: PLEASE READ THE ATTACHED SUBSCRIPTION AGREEMENT CAREFULLY BEFORE COMPLETING AND SIGNING IT. THERE ARE SIGNIFICANT REPRESENTATIONS CONTAINED IN THE SUBSCRIPTION AGREEMENT.

All subscribers must complete and execute the documents contained in this booklet in accordance with the instructions set forth below. Any questions you may have concerning these documents should be directed to Stephen Hoelscher, telephone (704) 658-3350.

INSTRUCTIONS

1. **Fill** in the requested information and **Sign** the Subscription Agreement.

2. **Fill** in the Investor Information form attached as **Annex A** to the Subscription Agreement.

3. Individual Investors – **Fill** in and **Sign** the Certificate for Individual Investors attached as **Annex B** to the Subscription Agreement.

4. Entity Investors - **Fill** in and **Sign** the Certificate for Entity Investors attached as **Annex C** to the Subscription Agreement.

5. Fax all forms to Stephen Hoelscher at (704) 658-3358 and then Send all signed original documents with a check (if applicable) to:

Anpath Group, Inc.
116 Morlake Drive
Suite 201
Mooresville, NC 28117
Attention: Stephen Hoelscher

6. Please make your subscription payment payable to the order of "SIGNATURE BANK – AS ESCROW AGENT FOR ANPATH GROUP, INC."

To wire funds directly see the following instructions:

Bank Name:	Signature Bank
Bank Address:	261 Madison Avenue, New York, New York 10016
Acct. Name:	Signature Bank as Escrow Agent for ANPATH GROUP, INC.
ABA Number:	026013576
A/C Account #:	1501156309
FBO:	Investor Name
	Social Security or EIN Number
	Address

Each investor who executes a Subscription Agreement and the other documents contained in this package (individually an "**Investor**" and collectively, the "**Investors**") will purchase the number of units (the "**Units**") set forth on the signature page to such Subscription Agreement at a purchase price of $10,000 per Unit. Each Unit consists of one (1) 8% Subordinated Convertible Promissory Note (a "**Note**") and a five (5) year warrant (a "**Warrant**"), exercisable for the purchase of 20,000 shares of the Company's common stock, par value $0.0001 per share (the "**Common Stock**"). Subscriptions for the Units will be made in accordance with and subject to the terms and conditions of the Subscription Agreement. The Units are being offered (the "**Offering**") on a "best efforts" all or none basis up to 50 Units (the "**Minimum Amount**") and thereafter on a reasonable efforts basis up to 500 Units ($**5,000,000**) (the "**Maximum Amount**"). The minimum investment amount that may be purchased by an Investor is one Unit ($10,000) (the "**Minimum Investor Purchase**"); provided however, the Company may in its sole discretion, accept an Investor subscription for an amount less than the Minimum Investor Purchase.

The Offering is being made solely to "accredited investors" (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the "**Securities Act**")).

All subscription funds will be held in the Company's non-interest bearing escrow account at Signature Bank, 261 Madison Avenue, New York, New York 10016. The Offering will terminate on or before December 31, 2008 (the "**Initial Offering Period**"), which period may be extended by the Company to a date no later than February 20, 2009 (the "**Termination Date**", with this additional period, together with the Initial Offering Period, being referred to as the "**Offering Period**"). The Company may hold an initial closing ("**Initial Closing**") at any time after the receipt of accepted subscriptions equal to the Minimum Amount on or prior to the Termination Date. After the Initial Closing, subsequent closings with respect to additional Units may take place at any time, as determined jointly by the Company (each such closing, together with the Initial Closing, being referred to as a "**Closing**"). In the event that a Closing is not held prior to the Termination Date, the Company will refund all subscription funds, without deduction and/or interest accrued thereon, and will return the subscription documents to each subscriber.

If the Company rejects a subscription, either in whole or in part (which decision is in its sole discretion), the rejected subscription funds or the rejected portion thereof will be returned promptly to such subscriber without interest accrued thereon.

SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this "**Agreement**") is made and entered into as of [_____], 200__, by and between Anpath Group, Inc., a Delaware corporation (the "**Company**") and the investor identified on the signature page to this Agreement (the "**Investor**").

A. **WHEREAS**, pursuant to the Company's Confidential Private Placement Memorandum, dated December 1, 2008, the Company is offering (the "**Offering**"), upon the terms and conditions stated in this Agreement, a minimum of 50 units (the "**Minimum Amount**") and a maximum of 500 units (the "**Maximum Amount**"); at a purchase price of $10,000 per unit (each, a "**Unit**"), each Unit consisting of:

(a) one 8% subordinated convertible promissory note (a "**Note**") convertible into shares (the "**Conversion Shares**") of common stock of the Company, par value $0.0001 per share (the "**Common Stock**"); and

(b) a warrant (the "**Warrant**") to purchase 20,000 shares of Common Stock at an exercise price of $0.75 per share (the "**Warrant Shares**");

B. **WHEREAS**, the Units, Notes, Conversion Shares, Warrants and Warrant Shares issued pursuant to this Agreement are collectively referred to herein as the "**Securities**;"

C. **WHEREAS**, the Company may engage registered broker dealers and other persons ("**Selling Agents**") to offer and sell Units in the Offering and may pat to such Selling Agents the compensation disclosed in the Memorandum;

D. **WHEREAS**, contemporaneous with the sale of the Units, the parties hereto will execute and deliver a Registration Rights Agreement, substantially in the form attached as Exhibit D to the Memorandum (the "**Registration Rights Agreement**"), pursuant to which the Company will agree to provide certain registration rights with respect to the Conversion Shares and the Warrant Shares under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, and applicable state securities laws.

NOW, THEREFORE, in consideration of the mutual terms, conditions and other agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree to the sale and purchase of the Units as set forth herein.

Definitions

For purposes of this Agreement, the terms set forth below shall have the corresponding meanings provided below.

.1 "Affiliate**" means, with respect to any specified Person:**

.1 if such Person is an individual, the spouse of that Person and, if deceased or disabled, his heirs, executors, or legal representatives, if applicable, or any trusts for the benefit of such individual or such individual's spouse and/or lineal descendants, or

.2 otherwise, another Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified. As used in this definition, "control" shall mean the possession, directly or indirectly, of the power to cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or other written instrument.

.2 "Business Day**" means any day on which banks located in New York City are not required or authorized by law to remain closed.**

.3 "Closing**" and "**Closing Date**" as defined in Section 2.7.**

.4 "Common Stock**" as defined in the recitals above.**

.5 "Company Financial Statements**" as defined in Section 6.5 hereto.**

.6 "Company's knowledge**" means the information and/or other items that the executive officers (as defined in Rule 405 under the Securities Act) of the Company have actual knowledge of after due inquiry.**

.7 "Escrow Account**" means the Company's non-interest bearing account at Signature Bank, 261 Madison Avenue, New York, New York 10016 (the "**Escrow Agent**").**

.8 "Escrow Agreement**" means the Escrow Agreement, dated November 26, 2008, by and among the Company and the Escrow Agent.**

.9 "Exchange Act**" means the Securities Exchange Act of 1934, as amended.**

.10 "Final Closing Date**" as defined in Section 2.7.**

.11 "Initial Closing**" as defined in Section 2.7.**

.12 "Investor Certification**" as defined in Section 2.6.**

.13 "Liens**" means any mortgage, lien, title claim, assignment, encumbrance, security interest, adverse claim, contract of sale, restriction on use or transfer or other defect of title of any kind.**

.14 "Material Adverse Effect**" means a material adverse effect on, and a "**Material Adverse Change**" means a material adverse change in:**

.1 the assets, liabilities, results of operations, condition (financial or otherwise), business, or prospects of the Company and its Subsidiaries taken as a whole; or

.2 the ability of the Company to perform its obligations under the Transaction Documents,

but, to the extent applicable, shall exclude any circumstance, change or effect to the extent resulting or arising from: (i) any change in general economic conditions in the industries or markets in which the Company and its Subsidiaries operate so long as the Company and its Subsidiaries are not disproportionately (in a material manner) affected by such changes; (ii) national or international political conditions, including any engagement in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack so long as the Company and its Subsidiaries are not disproportionately (in a material manner) affected by such changes; (iii) changes in United States generally accepted accounting principles, or the interpretation thereof; or (iv) the entry into or announcement of this Agreement, actions contemplated by this Agreement, or the consummation of the transactions contemplated hereby.

.15 "Maximum Amount**" as defined in the recitals above.**

.16 "Minimum Amount**" as defined in the recitals above.**

.17 "Person**" shall mean an individual, entity, corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust or unincorporated organization.**

.18 "Memorandum**" means the Company's Confidential Private Placement Memorandum, dated December 1, 2008, together with any and all amendments and/or supplements thereto.**

.19 "Regulation D**" as defined in Section 4.11 hereto.**

.20 "Registration Rights Agreement**" as defined in the recitals above.**

.21 "Rule 144**" as defined in Section 4.10(c) hereto.**

.22 "SEC**" means the United States Securities and Exchange Commission.**

.23 "SEC Reports**" means all reports, schedules, forms, statements and other documents required to be filed by the Company with the SEC pursuant to the reporting requirements of the Exchange Act since December 31, 2008.**

.24 "Securities**" as defined in the recitals above.**

.25 "Securities Act**" means the Securities Act of 1933, as amended.**

.26 "Selling Agents**" as define in the recitals above.**

.27 "Shares**" as defined in the recitals above.**

.28 "Subsidiaries**" shall mean any corporation or other entity or organization, whether incorporated or unincorporated, in which the Company owns, directly or indirectly, any controlling equity or other controlling ownership interest or otherwise controls through contract or otherwise.**

.29 "Transaction Documents**" shall mean this Agreement, the Memorandum, the Registration Rights Agreement, the Warrants and the Escrow Agreement.**

.30 "Transfer**" shall mean any sale, transfer, assignment, conveyance, charge, pledge, mortgage, encumbrance, hypothecation, security interest or other disposition, or to make or effect any of the above.**

.31 "Warrant Shares**" as defined in the recitals above.**

.32 "Warrants**" as defined in the recitals above.**

Sale and Purchase of Units.

.33 Subscription for Units**. Subject to the terms and conditions of this Agreement, the undersigned Investor hereby subscribes for and agrees to purchase the number of Units set forth on the signature page to this Subscription Agreement, at a purchase price of $10,000 per Unit.**

.34 Terms of the Securities**. The terms of the Notes are as described in the form of Note attached to the Memorandum as** Exhibit B **and the terms of the Warrants are as described in the form of Warrant attached to the Memorandum as** Exhibit C**.**

.35 Payment**. The Investor encloses herewith a check payable to, or will immediately make a wire transfer payment to, "Signature Bank, as Escrow Agent for Anpath Group, Inc.," in the full amount of the purchase price of the Units being subscribed for.**

.36 Deposit of Funds**. All payments made as provided in Section 2.3 hereof will be deposited by the Company in the Company's Escrow Account. In the event that the Company does not effect a Closing (as defined below), on or before December 31, 2008 (the "**Initial Offering Period**"), which period may be extended by the Company in its sole discretion to a date no later than February 20, 2009 (the "**Termination Date**", with this additional period, together with the Initial Offering Period, being referred to herein as the "**Offering Period**"), the Company will refund all subscription funds, without deduction and/or interest accrued thereon, and will return the subscription documents to the Investor.**

.37 Acceptance of Subscription**. The Investor understands and agrees that the Company, in its sole discretion, reserves the right to accept or reject this or any other subscription for the Units, in whole or in part, notwithstanding prior receipt by the Investor of notice of acceptance of this or any other subscription. The Company will have no obligation hereunder until the Company executes and delivers to the Investor an executed signature page to this Subscription Agreement. If an Investor's subscription is rejected in whole or the Offering is terminated, all funds received from the Investor will be returned without interest, penalty, expense or deduction, and this Subscription Agreement will thereafter be of no further force or effect. If an Investor's subscription is rejected in part, the funds for the rejected portion of such subscription will be returned without interest, penalty, expense or deduction, and this Subscription Agreement will continue in full force and effect to the extent such subscription was accepted.**

.38 Closing Deliveries**. Together with the check for, or wire transfer of, the full purchase price, the Investor is delivering a completed and executed signature page to this Agreement and a completed investor certification attached hereto as** Annex B **or** Annex C **as applicable (the "**Investor Certification**").**

.39 Closings**. The Company may hold an initial closing ("**Initial Closing**") at any time after the receipt of accepted subscriptions prior to the Termination Date equal to the Minimum Amount. After the Initial Closing, subsequent Closings with respect to additional Units may take place at any time, as determined by the Company, with respect to subscriptions accepted prior to the Termination Date (each such closing, together with the Initial Closing, being referred to as a "**Closing**"). The date of each Closing shall be referred to herein as a "**Closing Date**" and the date of the final Closing shall be referred to herein as the "**Final Closing Date**."**

.40 Offering to Accredited Investors**. This Offering is limited to accredited investors as defined in Section 2(15) of the Securities Act, and Rule 501 under Regulation D, and is being made without registration under the Securities Act in reliance upon the exemptions contained in Sections 4(2) of the Securities Act, Rule 506 under Regulation D and applicable state securities laws.**

Acknowledgements of the Investor**.**

The undersigned Investor hereby acknowledges that:

.41 Resale Restrictions**. None of the Securities have been registered under the Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, none of the Securities may be offered or sold by the Investor except pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in each case only in accordance with applicable state securities laws.**

.42 Legends on Notes, Conversion Shares, Warrants and Warrant Shares**. The Investor understands that, certificates evidencing the Notes, the Conversion Shares, the Warrants and Warrant Shares shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of the certificates evidencing such Conversion Shares and Warrant Shares):**

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, OR AN OPINION OF COUNSEL, IN A FORM ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR APPLICABLE STATE SECURITIES LAWS OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SAID ACT."

If required by the authorities of any state in connection with the issuance or sale of the Notes, the Conversion Shares, the Warrants or any Warrant Shares, the certificates will also bear any legend required by such state authority.

.43 Agreements**. It has received and carefully read each of the Transaction Documents.**

.44 Independent Advice**. The Investor has been advised to consult the Investor's own legal, tax and other advisors with respect to the merits and risks of an investment in the Securities and with respect to applicable resale restrictions, and it is solely responsible (and neither the Company nor the Selling Agents, if any, is in any way, directly and/or indirectly, responsible) for compliance with:**

.1 any applicable laws of the jurisdiction in which the Investor is resident in connection with the distribution of the Securities hereunder, and

.2 applicable resale restrictions.

.45 No Insurance**. There is no government or other insurance covering any of the Securities.**

Representations, Warranties and Acknowledgments of the Investor**.**

The undersigned Investor hereby represents and warrants to the Company that:

.46 Capacity**. The Investor: (i) if a natural person, represents that the Investor has reached the age of 21 and has full authority, legal capacity and competence to enter into, execute and deliver this Agreement and the Transaction Documents to which the Investor is a party and all other related agreements or certificates and to take all actions required pursuant hereto and thereto and to carry out the provisions hereof and thereof and, (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Units, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, such entity has full power and authority to execute and deliver this Agreement, the Transaction Documents to which it is a party and all other related agreements or certificates and to take all actions required pursuant hereto and thereto and to carry out the provisions hereof and thereof and to purchase and hold the Units, the execution and delivery of this Agreement and the Transaction Documents to which it is a Party have been duly authorized by all necessary action; or (iii) if executing this Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Agreement and the Transaction Documents to which it is a Party in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Investor is executing this Agreement and the Transaction Documents, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Agreement and the Transaction Documents to which it is a party and make an investment in the Company.**

.47 No Violation of Corporate Governance Documents**. If the Investor is a corporation or other entity, the entering into of this Agreement and the other Transaction Documents to which it is a party and the transactions contemplated hereby and thereby do not and will not result in the violation of any of the terms and provisions of any law applicable to, or the charter or other organizational documents, bylaws or other constating documents of, the Investor or of any agreement, written or oral, to which the Investor may be a party or by which the Investor is or may be bound.**

.48 Binding Agreement**. The Investor has duly executed and delivered this Agreement and the other Transaction Documents to which it is a party, and this Agreement and the other Transaction Documents constitute a valid and binding agreement of the Investor enforceable against the Investor in accordance with their respective terms, except as such enforceability may be limited by general principals of equity, or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.**

.49 No SEC Review or Approval**. Neither the SEC nor any other securities commission, securities regulator or similar regulatory authority has reviewed or passed on the merits of the Securities or on any of the documents reviewed or executed by the Investor in connection with the sale of the Securities.**

.50 Purchase Entirely for Own Account**. The Securities are being acquired for the Investor's own account, not as nominee or agent, for investment purposes only and not with a view to the resale or distribution of any part thereof in violation of the Securities Act, and the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the Securities Act, without prejudice, however, to the Investor's right at all times to sell or otherwise dispose of all or any part of such Securities in compliance with applicable federal and state securities laws.**

.51 Not a Broker-Dealer**. The Investor is neither a registered representative under the Financial Industry Regulatory Authority ("FINRA"), a member of FINRA or associated or Affiliated with any member of FINRA, nor a broker-dealer registered with the SEC under the Exchange Act or engaged in a business that would require it to be so registered, nor is it an Affiliate of a such a broker-dealer or any Person engaged in a business that would require it to be registered as a broker-dealer. In the event the Investor is a member of FINRA, or associated or Affiliated with a member of FINRA, the Investor agrees, if requested by FINRA, to sign a lock-up, the form of which shall be satisfactory to FINRA with respect to the Notes, Conversion Shares, Warrants and the Warrant Shares.**

.52 Not an Underwriter**. The Investor is not an underwriter of the Common Stock, nor is it an Affiliate of an underwriter of the Common Stock.**

.53 Investment Experience**. The Investor acknowledges that the purchase of the Securities is a highly speculative investment and that it can bear the economic risk and complete loss of its investment in the Securities and has such knowledge and experience in financial and/or business matters that it is capable of evaluating the merits and risks of the investment contemplated hereby.**

.54 Disclosure of Information**. The Investor has had an opportunity to receive, and fully and carefully review, all information related to the Company and the Securities requested by it and to ask questions of and receive answers from the Company regarding the Company, its business and the terms and conditions of the offering of the Securities. The Investor acknowledges that it has received, and fully and carefully reviewed and understands all of the Transaction Documents, including, but not limited to, the Memorandum describing, among other items, the Company, its business, its risks, the Securities and the offering of the Securities. Investor acknowledges that it has received, either in hardcopy or electronically, copies of the SEC Reports, and has fully and carefully reviewed and understands the SEC Reports. The Investor understands that its investment in the Securities involves a high degree of risk. The Investor's decision to enter into this Agreement has been made based solely on the independent evaluation of the Investor and its representatives. The Investor has received such accounting, tax and legal advice from Persons other than the Company as it has considered necessary to make an informed investment decision with respect to the acquisition of the Securities.**

.55 Restricted Securities**. The Investor understands that the sale or re-sale of the Securities has not been and is not being registered under the Securities Act or any applicable state securities laws, and the Securities, as applicable, may not be transferred unless:**

.1 they are sold pursuant to an effective registration statement under the Securities Act; or

.2 they are sold pursuant to a valid exemption from the registration requirements of the Securities Act and, if required by the Company, the Investor shall have delivered to the Company, at the Investor's sole cost and expense, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in comparable transactions to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from the registration requirements of the Securities Act, which opinion shall be acceptable to the Company; or

.3 they are sold or transferred to an "affiliate" (as defined in Rule 144, promulgated under the Securities Act (or a successor rule ("Rule 144")) of the Investor who agrees to sell or otherwise transfer the Securities only in accordance with this Section 4.10 and who is an accredited investor, or

.4 they are sold pursuant to Rule 144.

The Investor understands that any sale of the Securities made in reliance of Rule 144 may be made only in accordance with the terms of Rule 144 and other than as provided in the Transaction Documents, neither the Company nor any other Person is under any obligation to register the Securities under the Securities Act or any state securities laws. Notwithstanding the foregoing or anything else contained herein to the contrary, the Securities may be pledged as collateral in connection with a bona fide margin account or other lending arrangement.

.56 Accredited Investor**. The Investor is an accredited investor as defined in Rule 501(a) of Regulation D, as amended, under the Securities Act. ("Regulation D").**

.57 No General Solicitation**. The Investor did not learn of the investment in the Securities as a result of any public advertising or general solicitation, and is not aware of any public advertisement or general solicitation in respect of the Company or its securities.**

.58 Brokers and Finders**. The Investor will not have, as a result of the transactions contemplated by the Transaction Documents, any valid right, interest or claim against or upon the Company, any Subsidiary or any other Investor for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of the Investor.**

.59 Prohibited Transactions**. Other than with respect to the transactions contemplated herein, since the earlier to occur of (i) the time that the Investor was first contacted by the Company, or any other Person regarding an investment in the Company and (ii) the thirtieth (30th) day prior to the date hereof, neither the Investor nor any Affiliate of the Investor which (x) had knowledge of the transactions contemplated hereby, (y) has or shares discretion relating to the Investor's investments or trading or information concerning the Investor's investments, including in respect of the Securities, or (z) is subject to the Investor's review or input concerning such Affiliate's investments or trading decisions (collectively, "**Trading Affiliates**") has, directly or indirectly, nor has any Person acting on behalf of, or pursuant to, any understanding with the Investor or Trading Affiliate effected or agreed to effect any transactions in the securities of the Company or involving the Company's securities (a "**Prohibited Transaction**").**

.60 Governmental Review**. The Investor understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Securities or the fairness or suitability of an investment in the Securities.**

.61 Residency**. The Investor is a resident of the jurisdiction set forth in the Investor Questionnaire provided separately.**

.62 Reliance on Exemptions**. The Investor understands that the Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and the Investor's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Investor set forth herein in order to determine the availability of such exemptions and the eligibility of the Investor to acquire the Securities. All of the information which the Investor has provided to the Company is true, correct and complete as of the date of this Agreement, and if there should be any change in such information prior to the Closing, the Investor will immediately provide the Company with such information.**

.63 Conflicts**. The Investor understands that Affiliates and/or employees of the Company and/or the Selling Agents, if any, may, but are not obligated to, purchase Securities in the Offering and any and all such Securities purchased shall be counted toward the Minimum Amount and the Maximum Amount.**

.64 Selling Agent Compensation**. The Investor understands that Selling Agents, if any, used by the Company in connection with this Offering will receive the compensation set forth in the Memorandum for Units place by such Selling Agents.**

Covenants of the Company.

.65 Furnishing of Information. **For the two year period after the Final Closing Date, the Company covenants to use its reasonable efforts to (a) file all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act and (b) make and keep adequate "current public information" (as such term is described in Rule 144) available.**

.66 Rule 144 Sales. **In connection with any proposed sale of Conversion Shares or Warrant Shares pursuant to Rule 144 (or any successor provision) by the Investor, the Company covenants that it shall take such reasonable action as the Investor may request (including, without limitation, promptly obtaining any required legal opinions from Company counsel necessary to effect the sale of Conversion Shares or Warrant Shares under Rule 144), all to the extent required from time to time to enable the Investor to sell Conversion Shares or Warrant Shares without registration under the Securities Act pursuant to the provisions of Rule 144 under the Securities Act (or any successor provision).**

.67 Filing of Tax Reports. **The Company shall, and shall cause each of its Subsidiaries to prepare and timely file (or obtain extensions in respect thereof and file within the applicable grace period) all tax returns and tax reports required to be filed by each of them in all required jurisdictions after the date hereof pursuant to applicable tax laws.**

Representations and Warranties of the Company.

The Company represents, warrants and covenants to the Investor that:

.68 Organization; Execution, Delivery and Performance.

.1 The Company and each Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or organized, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which its ownership or use of property or the nature of the business conducted by it makes such qualification necessary except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

.2 The Company has no Subsidiaries other than those set forth in the SEC Reports. Except as set forth in the SEC Reports, the Company owns, directly or indirectly, all of the capital stock of each Subsidiary.

.3 (i) The Company has all requisite corporate power and authority to enter into and perform this Agreement and the other Transaction Documents and to consummate the transactions contemplated hereby and thereby and to issue the Securities in accordance with the terms hereof and thereof; (ii) the execution and delivery of this Agreement and the other Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby have been duly authorized by the Company's Board of Directors and no further consent or authorization of the Company, its Board of Directors, or its stockholders, is required except as expressly contemplated by this Agreement; (iii) each of the Transaction Documents has been duly executed and delivered by the Company by its authorized representative, and such authorized representative is a true and official representative with authority to sign each such document and the other documents or certificates executed in connection herewith and bind the Company accordingly; and (iv) each of the Transaction Documents constitutes, and upon execution and delivery thereof by the Company will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by general principals of equity, or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

.69 Conversion Shares and Warrants Duly Authorized, Etc. **The Conversion Shares will be duly authorized and reserved for future issuance and, upon conversion of the Notes in accordance with their terms, will be duly and validly issued, fully paid and non-assessable, and free from all taxes or Liens with respect to the issue thereof and shall not be subject to preemptive rights, rights of first refusal and/or other similar rights of stockholders of the Company and/or any other Person. The Warrant Shares will be duly authorized and reserved for future issuance and, upon exercise of the Warrants in accordance with their terms, will be duly and validly issued, fully paid and non-assessable, and free from all taxes or Liens with respect to the issue thereof and shall not be subject to preemptive rights, rights of first refusal and/or other similar rights of stockholders of the Company and/or any other Person.**

.70 Capitalization. **The authorized capital stock of the Company is as set forth in the SEC Reports. The capital stock of the Company conforms to the description thereof contained in the SEC Reports and, except as set forth in the SEC Reports, no options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, shares of common stock of or ownership interests in the Company are outstanding.**

.71 Financial Statements**. The consolidated historical financial statements and schedules of the Company and its consolidated Subsidiaries included in the SEC Reports (the "**Company Financial Statements**") present fairly the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of Regulation S-X and have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis throughout the periods involved.**

.72 No Litigation; Governmental Proceedings**. No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries or its or their property is pending or, to the best knowledge of the Company, threatened that (i) could reasonably be expected to have a material adverse effect on the performance of this Subscription Agreement or the other Transaction Documents or the consummation of any of the transactions contemplated hereby or thereby, or (ii) could reasonably be expected to have a Material Adverse Effect, except as set forth in or contemplated by the SEC Reports.**

.73 Ownership of Properties**. Each of the Company and its Subsidiaries owns or leases all such properties as are necessary to the conduct of its operations as presently conducted.**

.74 No Defaults**. Neither the Company nor any of its Subsidiaries is in (i) violation or default of any provision of its charter or bylaws; (ii) default or material violation of the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject; or (iii) default or material violation of any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its Subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such Subsidiary or any of its properties, as applicable.**

.75 Tax Returns**. The Company has filed all U.S. federal, state and local tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Effect and except as set forth in or contemplated in the SEC Reports.**

.76 No Securities Act Registration**. Assuming the accuracy of the Investor's representations and warranties set forth in this Subscription Agreement, no registration under the Act of the Securities is required for the offer and sale of the Securities to the Investor in the manner contemplated herein and in the Memorandum.**

.77 No Material Changes**. Except as set forth in SEC Reports, since March 31, 2008, there has not been:**

.1 Any Material Adverse Change in the financial condition, operations or business of the Company from that shown on the Company Financial Statements, or any material transaction or commitment effected or entered into by the Company outside of the ordinary course of business;

.2 To the Company's Knowledge, any effect, change or circumstance which has had, or could reasonably be expected to have, a Material Adverse Effect; or

.3 Any incurrence of any material liability outside of the ordinary course of business.

.78 No General Solicitation. **The Company has not, and to the Company's knowledge no other Person has conducted any "general solicitation," as such term is defined in Regulation D promulgated under the Securities Act, with respect to any of the Securities being offered hereby.**

.79 Books and Records**. The books of account, ledgers, order books, records and documents of the Company accurately and completely reflect all material information relating to the businesses of the Company, the location and collection of its assets, and the nature of all transactions giving rise to the obligations or accounts receivable of the Company.**

.80 Disclosure**. All information relating to or concerning the Company and its officers, directors, employees, customers or clients set forth in the Memorandum does not contain an untrue statement of material fact or omit to state any material fact necessary in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading.**

Transfer Restrictions.

.81 Transfer or Resale**. Except as provided in the Registration Rights Agreement, the resale of the Securities by the Investor has not been and will not be registered under the Securities Act or any applicable state securities laws, and that none of the Securities may be transferred or sold by the Investor unless:**

.1 they are sold pursuant to an effective registration statement under the Securities Act;

.2 they are being sold pursuant to a valid exemption from the registration requirements of the Securities Act and, if required by the Company, the Investor shall have delivered to the Company, at the Investor's sole cost and expense, an opinion of counsel that shall be in form, substance and scope customary for opinions of counsel in comparable transactions to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from the registration requirements of the Securities Act, which opinion shall be acceptable to the Company;

.3 the Securities are sold or transferred to an "affiliate" (as defined in Rule 144) of the Investor who agrees to sell or otherwise transfer the Securities only in accordance with this Section 7.1 and who is an Accredited Investor; or

.4 the Securities are sold pursuant to Rule 144.

Conditions to Closing of the Investor.

The obligation of the Investor to purchase the Units at the Closing is subject to the fulfillment to the Investor's satisfaction, on or prior to the Closing Date, of the following conditions, any of which may be waived by the Investor:

.82 Representations and Warranties**. The representations and warranties made by the Company in Section 6 hereof qualified as to materiality shall be true and correct at all times prior to and on the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date, and, the representations and warranties made by the Company in Section 6 hereof not qualified as to materiality shall be true and correct in all material respects at all times prior to and on the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date. The Company shall have performed in all material respects all obligations and covenants herein required to be performed by it on or prior to the Closing Date.**

.83 Approvals. **The Company shall have obtained any and all consents, permits, approvals, registrations and waivers necessary or appropriate for consummation of the purchase and sale of the Securities and the consummation of the other transactions contemplated by the Transaction Documents, all of which shall be in full force and effect.**

.84 Judgments, Etc**. No judgment, writ, order, injunction, award or decree of or by any court, or judge, justice or magistrate, including any bankruptcy court or judge, or any order of or by any governmental authority, shall have been issued, and no action or proceeding shall have been instituted by any governmental authority, enjoining or preventing the consummation of the transactions contemplated hereby or in the other Transaction Documents.**

.85 Stop Orders. **No stop order or suspension of trading shall have been imposed by the SEC or any other governmental or regulatory body having jurisdiction over the Company or the market(s) where the Company's Common Stock is listed or quoted, with respect to public trading in the Common Stock.**

Conditions to Closing of the Company**.**

The obligations of the Company to effect the transactions contemplated by this Agreement are subject to the fulfillment at or prior to each Closing Date of the conditions listed below:

.86 Representations and Warranties**. The representations and warranties made by the Investor in Section 4 shall be true and correct in all material respects at the time of Closing as if made on and as of such date.**

.87 Corporate Proceedings**. If the Investor is a corporation or other entity, all corporate and other proceedings required to be undertaken by the Investor in connection with the transactions contemplated hereby shall have occurred and all documents and instruments incident to such proceedings shall be reasonably satisfactory in substance and form to the Company.**

.88 Agreements. **The Investor shall have completed and executed this Agreement, the other Transaction Documents to which it is a party and shall have completed the Investor Certification, and delivered the same to the Company**

.89 Purchase Price**. The Investor shall have delivered or caused to be delivered the full purchase price for the Units subscribed for to the Company.**

.90 Minimum Amount**. The Minimum Amount shall have been raised.**

Indemnification.

.91 Indemnification by the Company. **The Company expressly and irrevocably agrees to indemnify and hold harmless the Investor and its Affiliates and their respective directors, officers, employees and agents (the "**Investor Indemnitees**") from and against any and all losses, claims, damages, liabilities and expenses (including without limitation reasonable attorney fees and disbursements and other expenses as and when incurred in connection with investigating, preparing or defending any action, claim or proceeding, pending or threatened and the costs of enforcement thereof) (collectively, "**Losses**") to which such Investor Indemnitees may become subject, insofar as such Losses arise out of or are based upon any breach of representation, warranty, covenant or agreement made by the Company under the Transaction Documents and will reimburse any such Investor Indemnitees for all such amounts as they are incurred by such Investor Indemnitees.**

.92 Indemnification by the Investor. **The Investor agrees to indemnify and hold harmless the Company, the Selling Agents, if any, and their respective Affiliates, directors, officers, employees and agents (collectively, the "**Company Indemnitees**") from and against any and all Losses to which such Company Indemnitees may become subject, insofar as such Losses arise out of or are based upon (a) any untrue statement or alleged untrue statement of a material fact made by the Investor and contained in the Transaction Documents or in the Investor Certification, or (b) any breach of representation, warranty, covenant or agreement made by or to be performed on the part of the Investor under the Transaction Documents or in the Investor Certification, and will reimburse any such Company Indemnitees for all such amounts as they are incurred by such Company Indemnitees. The Selling Agents, if any, are third-party beneficiaries of this Section 10.**

.93 Notices. **Promptly after receipt by any Investor Indemnitees or Company Indemnitees, as applicable, of notice of any demand, claim or circumstances which would or might give rise to a claim or the commencement of any action, proceeding or investigation in respect of which indemnity may be sought pursuant to this Section 10, such Investor Indemnitees or Company Indemnitees, as applicable, shall promptly notify the other party in writing and such other party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Investor Indemnitees or Company Indemnitees, as applicable, and shall assume the payment of all fees and expenses; provided, however, that the failure of any Investor Indemnitees or Company Indemnitees, as applicable, so to notify the other party shall not relieve the other party of its obligations hereunder except to the extent that the other party is materially prejudiced by such failure to notify. In any such proceeding, any Investor Indemnitees or Company Indemnitees, as applicable, shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Investor Indemnitees or Company Indemnitees, as applicable, unless:**

.1 the Investor Indemnitees and Company Indemnitees shall have mutually agreed to the retention of such counsel; or

.2 in the reasonable judgment of counsel to such Investor Indemnitees or Company Indemnitees, as applicable, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them.

.94 Settlements. **Neither the Investor Indemnitees or Company Indemnitees, as applicable, shall be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, but if settled with such consent, or if there be a final judgment for the plaintiff, the other party shall indemnify and hold harmless such Investor Indemnitees or Company Indemnitees, as applicable, from and against any loss or liability (to the extent stated above) by reason of such settlement or judgment. Without the prior written consent of the Investor Indemnitees or Company Indemnitees, as applicable, which consent shall not be unreasonably withheld, the other party shall not effect any settlement of any pending or threatened proceeding in respect of which any Investor Indemnitees or Company Indemnitees, as applicable, is or could have been a party and indemnity could have been sought hereunder by such Investor Indemnitees or Company Indemnitees, as applicable, unless such settlement includes an unconditional release of such Investor Indemnitees or Company Indemnitees, as applicable, from all liability arising out of such proceeding.**

Miscellaneous**.**

.95 Compensation of Placement Agent, Brokers, etc**. The Investor acknowledges that it is fully aware that the Company may use Selling Agents to place Units and may pay to such Selling Agents at each Closing compensation consisting of (i) cash commissions of up to ten (10%) percent of the gross proceeds from the sale of Units placed by such Selling Agents and (ii) warrants (the "**Agent Warrants**") to purchase that number of shares of Common Stock as shall equal up to fifteen (15%) percent of the Conversion Shares underlying the Units placed by such Selling Agents.**

.96 Blue Sky Qualification. **The purchase of Securities under this Subscription Agreement is expressly conditioned upon the exemption from qualification of the offer and sale of the Securities from applicable Federal and state securities laws. The Company will not be required to qualify this transaction under the securities laws of any jurisdiction and, should qualification be necessary, the Company will be released from any and all obligations to maintain its offer, and may rescind any sale contracted, in the jurisdiction.**

.97 Notices. **All notices, requests, demands and other communications provided in connection with this Agreement shall be in writing and shall be deemed to have been duly given at the time when hand delivered, delivered by express courier, or sent by facsimile (with receipt confirmed by the sender's transmitting device) in accordance with the contact information provided below or such other contact information as the parties may have duly provided by notice.**

The Company:

Anpath Group, Inc.
116 Morlake Drive, Suite 201
Mooresville, NC 28117
Telephone: (704) 658-3350
Facsimile: (704) 658-3358
Attention: J. Lloyd Breedlove
Chief Executive Officer

The Investor:

As per the contact information provided on the signature page hereof.

.98 Survival of Representations and Warranties**. Each party hereto covenants and agrees that the representations and warranties of such party contained in this Agreement shall survive the Closing.**

.99 Entire Agreement**. This Agreement and the other Transaction Documents contain the entire agreement between the Company and the Investor in respect of the subject matter contained herein and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter contained herein.**

.100 Successors and Assigns. **This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor the Investor shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other.**

.101 Publicity**. The Company shall be entitled, without the prior approval of the Investor, to make any press release or SEC or other regulatory filings with respect to such transactions as is expressly required by applicable law and regulations.**

.102 Binding Effect; Benefits**. This Agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; nothing in this Agreement, expressed or implied, is intended to confer on any persons other than the parties hereto or their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.**

.103 Amendment; Waivers. **All modifications, amendments or waivers to this Agreement shall require the written consent of both the Company and a majority in interest of the Investors (based on the number of Units purchased hereunder).**

.104 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial**. This Agreement shall be governed by, and construed solely and exclusively in accordance with, the internal laws of the State of New York without regard to the choice of law principles thereof. Each of the parties hereto irrevocably submits to the sole and exclusive jurisdiction of the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby (a "Proceeding"). Each of the parties hereto irrevocably consents to the sole and exclusive jurisdiction of any such court in any such Proceeding and to the laying of venue in such court. Each party hereto expressly and irrevocably waives any objection to the laying of venue of any such Proceeding brought in such courts and irrevocably waives any claim that any such Proceeding brought in any such court has been brought in an inconvenient forum. The successful party in any Proceeding shall be entitled to its legal fees and expenses from the losing party. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

.105 Confidentiality. **The Investor acknowledges and agrees that any information or data the Investor has acquired from or about the Company, not otherwise properly in the public domain, was received in confidence (the "**Confidential Information**"). Any distribution of the Confidential Information to any person other than the Investor named above, in whole or in part, or the reproduction of the Confidential Information, or the divulgence of any of its contents (other than to the Investor's tax and financial advisers, attorneys and accountants, who will likewise be required to maintain the confidentiality of the Confidential Information) is unauthorized, except that any Investor (and each employee, representative, or other agent of the Investor) may disclose to any and all persons, without limitations of any kind (except as provided in the next sentence) the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to the Investor relating to such tax treatment and tax structure. Any such disclosure of the tax treatment, tax structure and other tax-related materials shall not be made for the purpose of offering to sell the securities offered hereby or soliciting an offer to purchase any such securities. Except as provided above with respect to tax matters, the above named Investor, agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Subscription Agreement, or use to the detriment of the Company or for the benefit of any other person or persons, or misuse in any way, any Confidential Information of the Company, including any scientific, technical, trade or business secrets of the Company and any scientific, technical, trade or business materials that are treated by the Company as confidential or proprietary, including, but not limited to, ideas, discoveries, inventions, developments and improvements belonging to the Company and Confidential Information obtained by or given to the Company about or belonging to third parties.**

.106 Further Assurances. **Each party hereto shall do and perform or cause to be done and performed all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.**

.107 Counterparts. **This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same document. In the event that any signature (including a financing signature page) is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or "pdf" signature page were an original thereof.**

.108 Severability. **Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof but shall be interpreted as if it were written so as to be enforceable to the maximum extent permitted by applicable law, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereby waive any provision of law which renders any provision hereof prohibited or unenforceable in any respect.**

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the undersigned Investor and the Company have caused this Subscription Agreement to be duly executed as of the date first above written.

ANPATH GROUP, INC.

By: _____
Name:
Title:

INVESTOR:
The Investor executing the Investor Counterpart Signature Page attached hereto and delivering the same to the Company or its agents shall be deemed to have executed this Agreement and agreed to the terms hereof.

Investor Counterpart Signature Page

The undersigned, desiring to:

(a) enter into this Subscription Agreement dated as of _____, 200__ (the "Agreement"), between the undersigned and Anpath Group, Inc., a Delaware corporation (the "Company"); and

(b) purchase the securities of the Company as set forth below,

hereby agrees to purchase such securities from the Company as of the Closing and further agrees to join the Agreement as a party thereto, with all the rights and privileges appertaining thereto, and to be bound in all respects by the terms and conditions thereof. The undersigned specifically acknowledges having read the representations in the section of the Agreement entitled "Representations, Warranties and Acknowledgments of the Investor," and hereby represent that the statements contained therein are complete and accurate with respect to the undersigned as an Investor. The undersigned further hereby agrees that execution by the undersigned of this Investor Counterpart Signature Page shall constitute an agreement to be bound by the terms and conditions of each of the Agreement and the Registration Rights Agreement, with the same effect as if such separate, but related agreement, was separately signed.

Investor herby elects to purchase a total of _____ Units at a price of $10,000 per Unit. (Each Unit consisting of a Note and a Warrant to purchase 20,000 Warrant Shares)

IF AN ENTITY:

Name of Entity: _____
(Print)

By: _____
(Signature)

Print Name: _____

Date: _____

IF AN INDIVIDUAL:

Print Name: _____

Signature: _____

Co-Investor
Print Name: _____

Signature: _____

Date: _____

ANNEX A
INVESTOR QUESTIONNAIRE

INDIVIDUAL INVESTORS

Investor Name: _____
Co-Investor Name: _____

Individual Executing Profile or Trustee (If Applicable): _____
Marital Status: _____

SSN #: _____ Joint Party SSN #: _____

Date of Birth: _____ Joint Party Date of Birth: _____

Primary Residence:
Street Address: _____
City, State & Zip Code:

Home Phone: _____ Home Fax: _____
Email address: _____

Business Address:
Business Phone: _____ Business Fax: _____
Business Email Address: _____

ENTITY INVESTORS

Entity Investor Name: _____
Individual Executing Questionnaire: _____
Federal Tax ID No.: _____

Business Address:
Business Street Address: _____
Business City, State & Zip Code: _____
Contact Person: _____
Business Phone: _____ Business Fax: _____
Business Email Address: _____

SECURITY DELIVERY INSTRUCTIONS (Check One):

- ☐ Please deliver to the Home Address listed above
- ☐ Please deliver to the Business Address listed above
- ☐ Please deliver my securities to the following address:

ANNEX B

CERTIFICATE FOR INDIVIDUAL INVESTORS (Including Grantors of Revocable Trusts)

If the investor is an individual, including married couples and IRA accounts of individual investors, pleased complete, date and sign this Certificate. If the investment is to be held jointly, each investor must execute and deliver the Subscription Agreement and initial their Investor Status as requested below and execute this Certificate.

☐ Individual
☐ IRA
☐ Tenants in the Entirety
☐Joint Tenants (both Joint Tenants must initial their Investor Status and sign this Certificate)
☐Tenants in Common (both tenants-in-common must initial their Investor Status and sign this Certificate)
☐Community Property (all holders must initial their Investor Status and sign this Certificate)
☐Grantor of a Revocable Trust (identify each grantor and indicate under what circumstances the trust is revocable by the grantor. If you check this box, please note all Trustees must complete the Investor Status Section below and sign this Certificate).

Names of Grantors: _____

☐ Check if any Grantor is deceased, disabled or legally incompetent.

INVESTOR STATUS (Including Grantors of Revocable Trusts)

_____ Initial if Applicable
I certify that I have a net worth (including home, furnishings and automobiles) in excess of $1 million either individually or through aggregating my individual holdings and those in which I have a joint, community property or other similar shared ownership interest with my spouse.

_____ Initial if Applicable
I certify that I have had an annual gross income for the past two years of at least $200,000 (or $300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

_____ Initial if Applicable
I certify that I am a director or executive officer of Anpath Group, Inc.

The undersigned certifies that the representations and responses above are true and accurate:

Investor Name (Print):	_____	Co- Investor Name:	_____
Signature:	_____	Co- Investor Signature:	_____
Date:	_____	Date:	_____

ANNEX C

ENTITY INVESTORS CERTIFICATE
(CORPORATIONS, PARTNERSHIPS, LIMITED LIABILITY COMPANIES,
IRREVOCABLE TRUSTS, AND FOUNDATIONS)

If the Investor is a corporation, partnership, limited liability company, irrevocable trust, pension plan, foundation or other entity, an authorized officer, partner, or trustee must provide the requested information below, initial the Investor Status and sign this Certificate.

Type of Entity (check one):

☐ Limited Partnership ☐ General Partnership
☐ Limited Liability Company ☐ Corporation
☐ Irrevocable Trust: ☐ Other form of organization:

Grantors of Revocable Trust: Please complete Annex B.

Date of Formation: _____

NOTE: PLEASE PROVIDE A COPY OF THE ORGANIZATIONAL DOCUMENTATION. (i.e., Articles of Incorporation, Partnership Agreement, Operating Agreement, Trust Agreement, etc)

In order for the Company to offer and sell the Shares in conformance with state and federal securities laws, the following information must be obtained regarding your investor status. Please initial each category applicable to you as an investor in the Company.

_____ Initial if Applicable — A bank as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;

_____ Initial if Applicable — A broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934;

_____ Initial if Applicable — An insurance company as defined in Section 2(13) of the Securities Act;

_____ Initial if Applicable — An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act;

_____ Initial if Applicable — A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

_____ Initial if Applicable — A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000, 000;

_____ Initial if Applicable — An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

_____ Initial if Applicable — A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

_____ Initial if Applicable — Any partnership or corporation or any organization described in Section 501(c)(3) of the Internal Revenue Code or similar business trust, not formed for the specific purpose of acquiring the Shares and Warrants, with total assets in excess of $5,000,000;

_____ Initial if Applicable — A trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Shares and Warrants, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Securities Act; or

_____ Initial if Applicable — An entity in which all of the equity owners qualify under any of the above subparagraphs.*

_____ Initial if Applicable — *If the undersigned belongs to this investor category only, list the equity owners of the undersigned, and have each equity owner complete and deliver Annex A and **Annex B** hereof:

_____

_____

The undersigned certifies that the representations and responses above are true and accurate and that the undersigned has the authority to execute and deliver the Subscription Agreement and this Certificate on behalf of the Investor and to take other actions with respect thereto.

Entity Investor Name: _____

By (Signature): _____

Print Name: _____

Title: _____

Exhibit 10.21

Form of Note

THIS NOTE, THE SHARES OF COMMON STOCK AND/OR OTHER SECURITIES ISSUABLE UPON CONVERSION OF THIS NOTE (THE "**SECURITIES**") HAVE BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE TRANSFERRED UNTIL (i) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE " **SECURITIES ACT**") SHALL HAVE BECOME EFFECTIVE WITH RESPECT THERETO OR (ii) RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT REGISTRATION UNDER THE SECURITIES ACT IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER NOR IS IN VIOLATION OF ANY APPLICABLE STATE SECURITIES LAWS. THIS LEGEND SHALL BE ENDORSED UPON ANY NOTE ISSUED IN EXCHANGE FOR THIS NOTE AND ANY SECURITIES ISSUABLE UPON CONVERSION OF THIS NOTE.

ANPATH GROUP, INC.

8% Subordinated Convertible Promissory Note

Note No.: [__] [_____], 200_

FOR VALUE RECEIVED, **Anpath Group, Inc.**, a Delaware corporation (collectively with all of its Subsidiaries, the "**Company**") with its principal executive office at 116 Morlake Drive, Suite 201, Mooresville, North Carolina 28117, promises to pay to the order of [_____], (the "**Holder**"), or registered assigns, the principal amount of [_____dollars ($_____)] (the "**Principal Amount**"), plus accrued interest thereon, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, which sum shall be due and payable on the Maturity Date (as defined below). Interest on this Note shall accrue and be payable in accordance with **Section 3** hereof.

This Note is one of a series of similar Notes issued in connection with the Company's private placement (the "**Offering**") of its units ("**Units**"), each Unit consisting of (i) a Note in the aggregate principal amount of $10,000 and (ii) a Warrant to purchase 20,000 shares of common stock of the Company on a 50 Unit ($500,000) minimum and a 500 Unit ($5,000,000) maximum basis. In the Offering, the Company sold its securities to "accredited investors" pursuant to Subscription Agreements by and between the Company and the Investors named therein (the "**Subscription Agreements**"). In addition to the terms defined elsewhere in this Note, capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Subscription Agreements.

Each payment by the Company pursuant to this Note shall be made without set-off or counterclaim and in immediately available funds. Any amounts which become due and payable pursuant to this Note on a day that is not a Business Day (as hereafter defined) shall be due and payable on the first Business Day after such date. For purposes of this Note, "**Business Day**" means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of North Carolina.

The Company (i) waives presentment, demand, protest or notice of any kind in connection with this Note and (ii) agrees, in the event of an Event of Default (as defined below), to pay to the Holder of this Note, on demand, all costs and expenses (including legal fees and expenses) incurred in connection with the enforcement and collection of this Note.

Maturity. This Note together with all fees and expenses (if any), and accrued, but unpaid interest thereon, shall be immediately due and payable on [_____, 200_](the date that is the one (1) year anniversary of the Issue Date (as defined below) of this Note) (the "Maturity Date"). In the event that the Maturity Date falls on a Saturday, Sunday or a holiday on which banks in the State of North Carolina are closed, the Maturity Date shall be the first Business Day occurring immediately after such date.

Prepayment. This Note may be prepaid by the Company at any time prior to the Maturity Date, in whole or in part, without any premium or penalty. All such payments shall be applied first to accrued interest and then to the outstanding Principal Amount.

Interest.

.109 Interest Rate. The outstanding Principal Amount shall bear interest at the rate of eight (8%) percent per annum.

.110 Computation and Payment of Interest. Interest on the Principal Amount shall accrue commencing on the date of this Note (the "Issue Date") and shall be due and payable on the Maturity Date. Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed from the Issue Date to the Maturity Date.

Conversion.

.111 Optional Conversion. Commencing on the Issue Date and ending on the last Business Day immediately prior to the Maturity Date (the "Optional Conversion Period") and subject to the limitation provided in Section 5F below, the outstanding Principal Amount of this Note and all accrued interest may be converted into shares (the "Conversion Shares") of the Company's common stock, par value $0.0001 (the "Common Stock") at any time and from time to time, at the then effective Optional Conversion Price (as defined below) at the sole discretion of the Holder of this Note, by delivering to the Company this Note (or an affidavit of lost Note, together with an applicable bond, all in form and substance reasonably satisfactory to the Company and its legal counsel) with a written notice (the "Optional Conversion Notice"), in the form of Exhibit A annexed hereto.

.112 Mandatory Conversion. Notwithstanding anything to the contrary provided herein or elsewhere, on the Maturity Date, the outstanding Principal Amount of this Note and all accrued interest shall automatically convert into Conversion Shares at the then effective Mandatory Conversion Price (as defined below). The Company will notify the Holder, in writing, of a Mandatory Conversion and the number of Conversion Shares to be issued to the Holder pursuant to such Mandatory Conversion (a "Mandatory Conversion Notice") within five (5) Business Days after the Maturity Date. In the event that the Holder disputes the number of Conversion Shares to be issued pursuant to the Mandatory Conversion Notice, within five (5) Business Days of Holder's receipt of the Mandatory Conversion Notice, the Holder shall send to the Company a notice of such dispute which shall include Holder's calculations and basis for such dispute (a "Holder's Notice of Objection") and such dispute shall be resolved in accordance with Section 5H below. In the event of Mandatory Conversion, the Company shall deliver a certificate or certificates representing the Conversion Shares in accordance with Section 5E below. Notwithstanding anything to the contrary provided herein or elsewhere, except for the provisions regarding delivery of Conversion Shares pursuant to Section 5E below, this Note shall be deemed null and void on the Maturity Date.

Conversion Price. The price per share at which this Note shall be convertible into Conversion Shares (the "Conversion Price"), is as follows:

.113 Optional Conversion Price. During the Optional Conversion Period, the Principal Amount of this Note and all accrued interest shall be convertible into Conversion Shares at a Conversion Price equal to $0.50 per share (the "Optional Conversion Price"), subject to adjustment from time to time as provided in this Note.

.114 Mandatory Conversion Price. On the Maturity Date the Principal Amount of this Note and all accrued interest shall be convertible into Conversion Shares at a Conversion Price, equal to eighty percent (80%) of the average Market Price (as defined below) for the twenty (20) Trading Days (as defined below) immediately preceding the Maturity Date (the "Mandatory Conversion Price"); provided, however, and the foregoing notwithstanding, in no event shall the Mandatory Conversion Price be less than $0.20 per share or more than $0.50 per share.

.115 Definitions. For purposes hereof:

.1 "Conversion Date" shall mean the earlier to occur of (i) date that the Company receives a Conversion Notice and (ii) the Maturity Date.

.2 "Market Price" for any Trading Day shall mean (a) if the Common Stock is then quoted on the Over-the-Counter Bulletin Board (the "Bulletin Board") the closing sale price of one share of Common Stock on the Bulletin Board or such other quotation system or association or, if no such closing sale price is available, the average of the high bid and the low asked price quoted thereon(b) if the Common Stock is then listed on the Nasdaq Market ("Nasdaq") or another national stock exchange, the closing sale price of one share of Common Stock on such exchange; (c) if the Common Stock is then included in the "pink sheets," the closing sale price of one share of Common Stock on the "pink sheets", if no such closing sale price is available, the average of the high bid and the low ask price quoted on the "pink sheets"; or (d) if the Common Stock is not then listed on a national stock exchange or quoted on the Bulletin Board, the "pink sheets" or such other quotation system or association, the fair market value of one share of Common Stock as of the Conversion Date, as determined in good faith by the Board of Directors of the Company.

.3 "Principal Market" means the Bulletin Board and shall also include the NYSE Alternext (formerly known as the American Stock Exchange) or Nasdaq, whichever is at the time the principal trading exchange or market for the Common Stock, based upon share volume.

.4 "Trading Day" means any day during which the Principal Market shall be open for business.

.116 Conversion Shares Issuable Upon Conversion. The number of Conversion Shares to be issued upon conversion of this Note shall be determined by dividing (i) the outstanding Principal Amount plus all accrued and unpaid interest thereon to be converted by (ii) the Conversion Price, in effect at the time of conversion.

.117 Conversion Mechanics.

.1 Surrender of Note Upon Optional Conversion. In order to convert all or any portion of the Principal Amount of this Note (and accrued and unpaid interest thereon) into Conversion Shares pursuant to an Optional Conversion, the Holder shall be required to physically surrender this Note (or an affidavit of lost Note, together with an applicable bond, all in form and substance reasonably satisfactory to the Company and its legal counsel) along with a Conversion Notice to the Company (at its principal place of business) as a condition precedent to receive a certificate or certificates representing the Conversion Shares.

.2 Surrender of Note Upon Mandatory Conversion. In the event of a Mandatory Conversion, the Holder shall be required to physically surrender this Note (or an affidavit of lost Note, together with an applicable bond, all in form and substance reasonably satisfactory to the Company and its legal counsel) no later than five (5) business days after the Maturity Date, to the Company (at its principal place of business) as a condition precedent to receive a certificate or certificates representing the Conversion Shares.

.3 Delivery of Conversion Share Certificates Upon Conversion. Upon receipt by the Company of this Note (or an affidavit of lost Note, together with an applicable bond, all in form and substance reasonably satisfactory to the Company and its legal counsel) and provided this Note has been converted in accordance with the requirements of this Note, the Company shall promptly issue and deliver (and in any event within three (3) Business Days following the date the Company receives the documentation necessary to effect the conversion, including any documentation required under Section 5H below) or cause to be issued and delivered to or upon the order of the Holder a certificate or certificates representing the Conversion Shares.

.118 Limitation on Optional Conversion. Notwithstanding anything to the contrary contained herein, the number of Conversion Shares that may be acquired by the Holder upon an Optional Conversion of this Note shall be limited to the extent necessary to insure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), does not exceed 4.9% (the "Maximum Percentage") of the total number of issued and outstanding shares of Common Stock (including for such purpose the Conversion Shares issuable upon such exercise) (the "Conversion Limit"). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This restriction may not be waived. In the event that the number of Conversion Shares to be issued will cause the Holder's ownership of Common Stock to exceed the Conversion Limit, the Principal Amount of this Note to be converted shall be reduced such that the number of Conversion Shares to be issued shall not cause the Holder to exceed the Conversion Limit and the Company shall issue the Holder a new Note, for the portion of the Principal Amount that was not converted to Conversion Shares.

.119 Sale or Transfer of Conversion Shares. Conversion Shares may not be sold or transferred unless (i) such Conversion Shares are sold pursuant to an effective registration statement under the Securities Act or (ii) the Company or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration. Each certificate for Conversion Shares that has not been sold pursuant to an effective registration statement or that has not been sold pursuant to an exemption that permits removal of the legend, shall bear a legend substantially in the following form, as appropriate:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE SECURITIES MAY NOT BE SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER SAID ACT, OR AN OPINION OF COUNSEL IN FORM, SUBSTANCE AND SCOPE CUSTOMARY FOR OPINIONS OF COUNSEL IN COMPARABLE TRANSACTIONS, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT UNLESS SOLD PURSUANT TO RULE 144 OR REGULATION S UNDER SAID ACT."

.120 Dispute Resolution. In the case of any dispute with respect to the number of Conversion Shares to be issued upon conversion of this Note, the Company shall promptly issue such number of Conversion Shares that is not disputed and shall submit the disputed determinations or arithmetic calculations to the Holder via fax (or, it the Holder has not provided the Company with a fax number, by overnight courier) within five (5) Business Days of receipt of: (i) in the case of an Optional Conversion, the Holder's Optional Conversion Notice and (ii) in the case of a Mandatory Conversion, the Holder's Notice of Objection. If the Holder and the Company are unable to agree as to the determination of the Conversion Price within five (5) Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall in accordance with this Section, submit via facsimile the disputed determination to its independent auditor. The Company shall cause its independent auditor to perform the determinations or calculations and notify the Company and the Holder of the results promptly, in writing and in sufficient detail to give the Holder and the Company a clear understanding of the issue. The determination by the Company's independent auditor shall be binding upon all parties absent manifest error. The Company shall then on the next Business Day instruct its transfer agent to issue certificate(s) representing the appropriate number of Conversion Shares in accordance with the independent auditor's determination and this Section. The prevailing party shall be entitled to reimbursement of all fees and expenses of such determination and calculation.

Certain Adjustments. **The Conversion Price in effect at any time and the number and kind of securities issuable upon conversion of this Note shall be subject to adjustment from time to time upon the happening of certain events as follows:**

.121 Adjustment for Stock Splits and Combinations. If the Company at any time or from time to time on or after the Issue Date effects a stock split or subdivision of the outstanding Common Stock, the Conversion Price then in effect immediately before such stock split or subdivision shall be proportionately decreased. If the Company at any time or from time to time effects a reverse stock split or combines the outstanding shares of Common Stock into a smaller number of shares, the Conversion Price then in effect immediately before such reverse stock split or combination shall be proportionately increased. Any adjustment under this Section 6A shall become effective at the close of business on the date the subdivision or combination becomes effective.

.122 Adjustment for Certain Dividends and Distributions. If the Company at any time or from time to time on or after the Issue Date makes or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Conversion Price then in effect shall be decreased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction (1) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date and (2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; provided, however, that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this Section 6B as of the time of actual payment of such dividends or distributions.

.123 Adjustments for Other Dividends and Distributions. In the event the Company at any time or from time to time on or after the Issue Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company other than shares of Common Stock, then and in each such event provision shall be made so that the Holder of this Note shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Company which the Holder would have received had this Note been converted into Common Stock on the date of such event and had Holder thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by the Holder as aforesaid during such period, subject to all other adjustments called for during such period under this Section 6 with respect to the rights of the Holder of this Note.

.124 Adjustment for Reclassification, Exchange and Substitution. In the event that at any time or from time to time on or after the Issue Date, the Common Stock issuable upon the conversion of this Note is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets, provided for elsewhere in this Section 6), then and in any such event the Holder of this Note shall have the right thereafter upon conversion of this Note to receive the kind and amount of stock and other securities and property receivable by holders of Common Stock upon such recapitalization, reclassification or other change, that the Holder would have received if this Note had been converted to Conversion Shares immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein.

.125 Adjustment for Reorganizations, Mergers, Consolidations or Sales of Assets. If at any time or from time to time on or after the Issue Date there is a capital reorganization of the Common Stock (other than a recapitalization, subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 6) or a merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all of the Company's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the Holder of this Note shall thereafter be entitled to receive upon conversion of this Note the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock deliverable upon conversion would have been entitled on such capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 with respect to the rights of the Holder of this Note after the reorganization, merger, consolidation or sale to the end that the provisions of this Section 6 (including adjustment of the Conversion Price then in effect and the number of shares to be received upon conversion of this Note) shall be applicable after that event and be as nearly equivalent as may be practicable.

.126 Adjustment for Sale of Shares Below Conversion Price.

.1 In the event the Company shall at any time issue Additional Stock (as defined below) at a price per share less than the Conversion Price then in effect or without consideration (a "Trigger Issuance") then the Conversion Price then in effect upon each such Trigger Issuance shall be adjusted to a price determined as follows:

$$\text{Conversion Price} = \frac{(A \times B) + D}{A + C}$$

Where:

"A" equals the number of shares of Common Stock outstanding, including Additional Stock deemed to be issued hereunder, immediately preceding such Trigger Issuance;

"B" equals the Conversion Price in effect immediately preceding such Trigger Issuance;

"C" equals the number of shares of Additional Stock issued or deemed issued hereunder as a result of the Trigger Issuance; and

"D" equals the aggregate consideration, if any, received or deemed to be received by the Company upon such Trigger Issuance,

provided, *however*, that in no event shall the Conversion Price after giving effect to such Trigger Issuance be greater than the Conversion Price immediately prior to such Trigger Issuance.

.2 "Additional Stock**" shall mean Common Stock or options, warrants or other rights to acquire or securities convertible into or exchangeable for shares of Common Stock, including shares held in the Company's treasury, and shares of Common Stock issued upon the exercise of any options, rights or warrants to subscribe for shares of Common Stock and shares of Common Stock issued upon the direct or indirect conversion or exchange of securities for shares of Common Stock, other than Additional Stock:**

.A issued or issuable upon conversion any Notes issued in connection with the Offering;

.B issued or issuable upon the exercise of any Warrants and/or Agent Warrants issued in connection with the Offering;

.C issued or issuable upon the conversion or exercise or exchange of options, warrants, rights and other securities or debt that are outstanding on the Issue Date;

.D issued or issuable pursuant to stock option plans which have been approved by the Company's directors and shareholders on or prior to the Issue Date; or

.E issued or issuable as a result of any anti-dilution in any outstanding securities of the Company that are outstanding on the Issue Date.

.127 No Adjustments in Certain Circumstances. No adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least five ($0.05) cents in such price; provided, however, that any adjustments which by reason of this Section 6G **are not required to be made shall be carried forward and taken into account in any subsequent adjustment required to be made hereunder. All calculations under this** Section 6 **shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.**

.128 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 6, **the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of a Note a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of a Note, furnish or cause to be furnished to such holder a like certificate setting forth such adjustments and readjustments.**

Covenants of Company. The Company covenants and agrees that, so long as this Note shall be outstanding, it will perform the obligations set forth in this Section 7**:**

.129 Reservation of Shares. The Company agrees at all times to reserve and hold available out of its authorized but unissued shares of Common Stock the number of shares of Common Stock issuable upon the full exercise of this Note. The Company further covenants and agrees that all Conversion Shares that may be delivered upon the conversion of this Note will, upon delivery, be fully paid and nonassessable and free from all taxes, liens and charges with respect to the purchase thereof hereunder.

.130 Maintenance of Existence. The Company will do or cause to be done all things reasonably necessary to preserve and keep in full force and effect its existence as a corporation, and comply with all laws applicable to the Company, except where the failure to comply would not have a material adverse effect on the Company;

.131 Maintenance of Property. The Company will at all times maintain, preserve, protect and keep its property used or useful in the conduct of its business in good repair, working order and condition, and from time to time make all needful and proper repairs, renewals, replacements and improvements thereto as shall be reasonably required in the conduct of its business;

.132 Insurance. The Company will, to the extent necessary for the operation of its business, keep adequately insured by financially sound reputable insurers, all property as shall be reasonably required in the conduct of its business;

.133 Notice of Certain Events. The Company will give prompt written notice (with a description in reasonable detail) to the Holder:

.1 the occurrence of any Event of Default (defined hereafter) or any event which, with the giving of notice or the lapse of time, would constitute an Event of Default; and

.2 the delivery of any notice to the Company effecting the acceleration of any indebtedness of the Company in excess of $50,000; and

.3 the occurrence of any litigation, arbitration or governmental investigation or proceeding not previously disclosed by the Company to the Holder in writing which has been instituted against the Company or to which any of its properties, assets or revenues is subject which, if adversely determined, would reasonably be expected to have a material adverse effect on the Company.

Events of Default.

.134 The term "Event of Default**" shall mean any of the events set forth in this** Section 8A:

.1 Non-Payment of Obligations. The Company shall default in the payment of the Principal Amount or accrued interest on this Note as and when the same shall become due and payable, whether by acceleration or otherwise.

.2 Non-Performance of Covenants. The Company shall default in the due observance or performance of any covenant set forth in Section 8, **which default shall continue uncured for five (5) Business Days.**

.3 Bankruptcy, Insolvency, etc. The Company shall:

.A admit in writing its inability to pay its debts as they become due;

.B apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, sequestrator or other custodian for the Company or any of its property, or make a general assignment for the benefit of creditors;

.C in the absence of such application, consent or acquiesce in, permit or suffer to exist the appointment of a trustee, receiver, sequestrator or other custodian for the Company or for any part of its property;

.D permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law, or any dissolution, winding up or liquidation proceeding, in respect of the Company, and, if such case or proceeding is not commenced by the Company or converted to a voluntary case, such case or proceeding shall be consented to or acquiesced in by the Company or shall result in the entry of an order for relief; or

.E take any corporate or other action authorizing, or in furtherance of, any of the foregoing.

.4 Termination of Business; Dissolution. The termination of the Company's business and/or the dissolution of the Company.

.135 Action if Bankruptcy; or Termination of Business or Dissolution. If any Event of Default described in clauses (iii)(a) through (e), or (iv) of Section 8A **shall occur, the outstanding Principal Amount, all accrued but unpaid interest and all other obligations under this Note shall automatically be and become immediately due and payable, without notice or demand.**

.136 Action if Other Event of Default. If any Event of Default (other than any Event of Default described in clause B immediately preceding) shall occur for any reason, whether voluntary or involuntary, and be continuing, the Holder may, upon notice to the Company, declare all or any portion of the outstanding Principal Amount, together with interest accrued on this Note, to be due and payable and any or all other obligations hereunder to be due and payable, whereupon the full unpaid Principal Amount hereof, such accrued interest and any and all other such obligations which shall be so declared due and payable shall be and become immediately due and payable, without further notice, demand, or presentment.

Amendments and Waivers.

.137 The provisions of this Note may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Company and the Holder.

.138 No failure or delay on the part of the Holder in exercising any power or right under this Note shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right. No notice to or demand on the Company in any case shall entitle it to any notice or demand in similar or other circumstances. No waiver or approval by the Holder shall, except as may be otherwise stated in such waiver or approval, be applicable to subsequent transactions. No waiver or approval hereunder shall require any similar or dissimilar waiver or approval thereafter to be granted hereunder.

.139 To the extent that the Company makes a payment or payments to the Holder, and such payment or payments or any part thereof are subsequently for any reason invalidated, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all rights and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

.140 After any waiver, amendment or supplement under this Section 9 **becomes effective, the Company shall mail to the Holder a copy thereof.**

Subordination. In the event of an Event of Default described in Section 8A, **payment of the Principal Amount, all accrued and unpaid interest and all other obligations under this Note (collectively, the "**Payments**"), shall be subordinated to the right of payment of all obligations of the Company under the Loan and Security Agreement dated as of January 8, 2008 by and between the Company and ANPG Lending LLC (the "**Senior Loan Agreement**"), as such obligations currently exist or as such obligations may be modified, amended or extended by agreement of the Company and the lender under the Senior Loan Agreement (the "**Senior Obligations**"). In addition, all Payments shall be subordinated to payment of all Senior Obligations.**

Miscellaneous.

.141 Notice of Certain Events. All notices, requests, waivers and other communications made pursuant to this Note shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party; (b) when received when sent by facsimile at the address and number set forth below; (c) two business days after deposit in the U.S. mail with first class or certified mail receipt requested postage prepaid and addressed to the other party as set forth below; or (d) the next business day after deposit with a national overnight delivery service, postage prepaid, addressed to the parties as set forth below with next-business-day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider.

To Holder:
[Holder Name]

[Holder Address]

To the Company:

· Anpath Group, Inc.
116 Morlake Drive, Suite 201
Mooresville, NC 28117
Attention: Stephen Hoelscher
Telephone: 704-658-3350
Fax: 704-658-3358

.142 Parties in Interest. All covenants, agreements and undertakings in this Note binding upon the Company or the Holder shall bind and inure to the benefit of the successors and permitted assigns of the Company and the Holder, respectively, whether so expressed or not.

.143 Governing Law. The Company and the Holder hereby expressly and irrevocably agree that this Note shall be governed by and construed solely and exclusively in accordance with the laws of the State of New York without regard to the conflicts of laws principles thereof. The Company and the Holder hereby expressly and irrevocably agree that any suit or proceeding arising directly and/or indirectly pursuant to or under this instrument or the consummation of the transactions contemplated hereby, shall be brought solely in a federal or state court located in the City, County and State of New York. By its execution hereof, the parties hereby covenant and irrevocably submit to the in personam jurisdiction of the federal and state courts located in the City, County and State of New York and agrees that any process in any such action may be served upon any of them personally, or by certified mail or registered mail upon them or their agent, return receipt requested, with the same full force and effect as if personally served upon them in New York City. The parties hereto waive any claim that any such jurisdiction is not a convenient forum for any such suit or proceeding and any defense or lack of in personam jurisdiction with respect thereto.

.144 Cash Payments. No fractional shares (or scrip representing fractional shares) of Common Stock shall be issued upon conversion of this Note. In the event that the conversion of this Note would result in the issuance of a fractional share of the Conversion Shares, the Company shall pay a cash adjustment in lieu of such fractional share to the holder of this Note.

.145 Stamp Taxes, etc. The Company shall pay all documentary, stamp or other transactional taxes attributable to the issuance or delivery of shares of Conversion Shares, upon conversion of this Note; provided, however, that the Company shall not be required to pay any taxes which may be payable in respect of any transfer involved in the issuance or delivery of any certificate for such shares in a name other than that of the holder of this Note, and the Company shall not be required to issue or deliver any such certificate unless and until the person requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the Company's satisfaction that such tax has been paid.

.146 Waiver of Jury Trial. THE HOLDER AND THE COMPANY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS NOTE OR ANY OTHER DOCUMENT OR INSTRUMENT EXECUTED AND DELIVERED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF THE HOLDER OR THE COMPANY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE HOLDER'S PURCHASE OF THIS NOTE.

.147 Change; Modifications; Waiver. No terms of this Note may be amended, waived or modified except by the express written consent of the Company and the Holder.

.148 Headings. The headings in this Note are for purposes of convenience in reference only, and shall not be deemed to constitute a part hereof.

.149 Successors. All the covenants, agreements, representations and warranties contained in this Note shall bind the parties hereto and their respective heirs, executors, administrators, distributes, successors, assigns, and transferees.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Note has been executed and delivered on the date specified above by the duly authorized representative of the Company.

ANPATH GROUP, INC.

By: _____
Name: Stephen Hoelscher
Title: Chief Financial Officer

EXHIBIT A

Optional Conversion Notice

_____ __, 200_

Anpath Group, Inc.
116 Morlake Drive, Suite 201
Mooresville, NC 28117
Attention: Stephen Hoelscher

Re: Conversion of Note

Gentlemen:

· You are hereby notified that, pursuant to, and upon the terms and conditions of the 8% Subordinated Convertible Promissory Note of Anpath Group, Inc. (the "**Company**"), in the principal amount of $_____ (the "**Note**"), held by the undersigned, the undersigned hereby elects to exercise the undersigned's Optional Conversion (as such term in defined in the Note) rights, effective as of the date of this writing.

· The undersigned hereby represents and warrants to the Company that, after giving effect to the conversion provided for in this Conversion Notice, the undersigned (together with its affiliates) will not have beneficial ownership (together with the beneficial ownership of such person's affiliates) of a number of shares of Common Stock which exceeds the Maximum Percentage of the total outstanding shares of Common Stock as determined pursuant to the provisions of Section 5F of the Note.

· The undersigned further represents to the Company that, as of the date of conversion (i) the shares of Common Stock being acquired pursuant to this Conversion Notice are being acquired solely for the undersigned's own account and not as a nominee for any other party, for investment, and not with a view toward distribution or resale; and (ii) the undersigned is an "accredited investor" as such term is defined in Rule 501(a)(1) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act.

Please provide the undersigned with all applicable instructions for the Conversion of the Note, and issue certificate(s) for the applicable shares of the Common Stock issuable upon the Conversion, in the name of the person provided below.

Very truly yours,

_____
Name:

(If the Holder cannot make the representations required above, because they are factually incorrect, it shall be a condition to the conversion of the Note that the Company receive such other representations as the Company considers necessary, acting reasonably, to assure the Company that the issuance of securities upon conversion of this Note shall not violate any United States or other applicable securities laws.)

Please issue certificate(s) for Common Stock as follows:

_____
Name

_____
Address

_____
Social Security No.

Exhibit 10.22

Form of Warrant

THIS WARRANT AND ANY SHARES OF COMMON STOCK ISSUED UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, 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 DISPOSITION MAY BE AFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

ANPATH GROUP, INC.

WARRANT TO PURCHASE

[_____] SHARES

OF COMMON STOCK

(SUBJECT TO ADJUSTMENT)

Warrant No.: [_____],
200_

· This certifies that for value, **[_____]** or its registered assigns (the "**Holder**"), is entitled, subject to the terms set forth below, at any time from and after the date hereof (the "**Original Issuance Date**") and before 5:00 p.m., Eastern Time, on [_____](the "**Expiration Date**")), to purchase from **Anpath Group, Inc.**, a Delaware corporation (the "**Company**"), [_____ **(_____)]** shares (subject to adjustment as described herein), of common stock, par value $0.0001 per share, of the Company (the "**Common Stock**"), upon surrender hereof, at the office of the Company referred to below, with a duly executed exercise notice (the "**Exercise Notice**") in the form attached hereto as **Exhibit A** and simultaneous payment therefor in lawful, immediately available money of the United States or otherwise as hereinafter provided, at an initial exercise price per share of **$0.75** (the "**Exercise Price**") The Exercise Price is subject to adjustment as provided below, and the term "**Common Stock**" shall include, unless the context otherwise requires, the stock and other securities and property at the time receivable upon the exercise of this Warrant. The term "**Warrants**," as used herein, shall mean this Warrant and any other Warrants delivered in substitution or exchange therefor as provided herein.

· This Warrant is one of a series of similar Warrants issued in connection with the Company's private placement (the "**Offering**") of its units ("**Units**"), each Unit consisting of (i) a 8% convertible promissory note (the "**Note**") and (ii) a Warrant to purchase 20,000 shares of Common Stock, on a 50 Unit ($500,000) minimum and a 500 Unit ($5,000,000) maximum basis. In the Offering, the Company sold its securities to "accredited investors" pursuant to Subscription Agreements by and between the Company and the Investors named therein (the "**Subscription Agreements**").

Definitions. In addition to the terms defined elsewhere in this Warrant, capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Subscription Agreements.

Exercise.

This Warrant may be exercised at any time or from time to time from and after the Original Issuance Date and before 5:00 p.m., Eastern Time, on the Expiration Date, on any business day, for the full number of shares of Common Stock called for hereby, by surrendering it at the Company's office, at 116 Morlake Drive, Suite 201, Mooresville, North Carolina 28117, Attention: Stephen Hoelscher, Chief Financial Officer, with the Exercise Notice duly executed, together with payment in an amount equal to (a) the number of shares of Common Stock called for on the face of this Warrant, as adjusted in accordance with the preceding paragraph of this Warrant multiplied (b) by the Exercise Price then in effect. Payment of the Exercise Price must be made by payment in immediately available funds. This Warrant may be exercised for less than the full number of shares of Common Stock at the time called for hereby, except that the number of shares of Common Stock receivable upon the exercise of this Warrant as a whole, and the sum payable upon the exercise of this Warrant as a whole, shall be proportionately reduced. Upon a partial exercise of this Warrant in accordance with the terms hereof, this Warrant shall be surrendered, and a new Warrant of the same tenor and for the purchase of the number of such shares not purchased upon such exercise shall be issued by the Company to Holder without any charge therefor. A Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise (the "Exercise Date**") as provided above, and the person entitled to receive the shares of Common Stock issuable upon such exercise shall be treated for all purposes as the holder of such shares of record as of the close of business on the Exercise Date. Within ten (10) business days after the Exercise Date, the Company shall issue and deliver to the person or persons entitled to receive the same a certificate or certificates for the number of full shares of Common Stock issuable upon such exercise, together with cash, in lieu of any fraction of a share, equal to such fraction of the then Fair Market Value (as defined below) on the Exercise Date of one full share of Common Stock.**

.150 In lieu of exercising this Warrant for cash pursuant to Section 2 A **above, the Holder may elect to satisfy the Exercise Price by exchanging the Warrant for a number of shares of Common Stock computed using the following formula (such election being referred to herein as a "**Net Issue Exercise Election**"):**

$$X = \frac{Y(A-B)}{A}$$

Where X = the number of shares of Common Stock to be issued to the Holder pursuant to this **Section 1**

Y = the number of shares of Common Stock purchasable under this Warrant or, if only a portion of this Warrant is being exercised, the portion of this Warrant being exercised (at the date of such calculation).

A = the Fair Market Value of one share of the Common Stock (at the date of such calculation).

B = the Exercise Price per share of Common Stock (as adjusted to the date of such calculation).

"**Fair Market Value**" shall mean, as of any date: (i) if shares of the Common Stock are listed on a national securities exchange, the average of the closing prices as reported for composite transactions during the five (5) consecutive trading days preceding the trading day immediately prior to such date or, if no sale occurred on a trading day, then the mean between the closing bid and asked prices on such exchange on such trading day; (ii) if shares of the Common Stock are not so listed but are traded on the Nasdaq market ("**Nasdaq**"), the average of the closing prices as reported on Nasdaq during the five (5) consecutive trading days preceding the trading day immediately prior to such date or, if no sale occurred on a trading day, then the mean between the highest bid and lowest asked prices as of the close of business on such trading day, as reported on the Nasdaq, (iii) if not then included for quotation on Nasdaq, the average of the closing prices as reported by the OTC Bulletin Board during the five (5) consecutive trading days preceding the trading day immediately prior to such date or, if no sale occurred on a trading day, then the mean between the highest bid and lowest asked prices as of the close of business on such trading day, as reported by the OTC Bulletin Board; or (iv) if the shares of the Common Stock are not then publicly traded, the fair market price of the Common Stock as determined in good faith by at least a majority of the Board of Directors of the Company.

.151 Limitation on Exercise. Notwithstanding any provisions herein to the contrary, the number of shares of Common Stock that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act**"), does not exceed 4.9% (the "**Maximum Percentage**") of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This restriction may not be waived.**

.152 Exercise Disputes. In the case of any dispute with respect to the number of shares of Common Stock to be issued upon exercise of this Warrant, the Company shall promptly issue such number of shares of Common Stock that is not disputed and shall submit the disputed determinations or arithmetic calculations to the Holder via fax (or, it the Holder has not provided the Company with a fax number, by overnight courier) within five (5) Business Days of receipt of the Holder's Exercise Notice. If the Holder and the Company are unable to agree as to the determination of the Exercise Price within five (5) Business Days of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall in accordance with this Section, submit via facsimile the disputed determination to its independent auditor. The Company shall cause its independent auditor to perform the determinations or calculations and notify the Company and the Holder of the results promptly, in writing and in sufficient detail to give the Holder and the Company a clear understanding of the issue. The determination by the Company's independent auditor shall be binding upon all parties absent manifest error. The Company shall then on the next Business Day instruct its transfer agent to issue certificate(s) representing the appropriate number of shares of Common Stock in accordance with the independent auditor's determination and this Section. The prevailing party shall be entitled to reimbursement of all fees and expenses of such determination and calculation.

Shares Fully Paid; Payment of Taxes. All shares of Common Stock issued upon the exercise of this Warrant, in accordance with the terms of this Warrant, shall be validly issued, fully paid and non-assessable, and the Company shall pay all taxes and other governmental charges (other than income taxes to the holder) that may be imposed in respect of the issue or delivery thereof.

Transfer and Exchange. This Warrant and all rights hereunder are transferable, in whole or in part, on the books of the Company maintained for such purpose at its office referred to above by the Holder in person or by duly authorized attorney, upon surrender of this Warrant at the Company's office referred to above together with: (i) a completed and executed form of assignment, a form of which is attached hereto as Exhibit B**, (ii) payment of any necessary transfer tax or other governmental charge imposed upon such transfer and (iii) an opinion of counsel reasonably acceptable to the Company stating that such transfer is exempt from the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"). Upon any partial transfer of this Warrant, the Company will issue and deliver to Holder a new Warrant or Warrants with respect to the portion of this Warrant not so transferred. Each taker and holder of this Warrant, by taking or holding the same, consents and agrees that this Warrant when endorsed in blank shall be deemed negotiable and that when this Warrant shall have been so endorsed, the holder hereof may be treated by the Company and all other persons dealing with this Warrant as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, or to the transfer hereof on the books of the Company, any notice to the contrary notwithstanding; but until such transfer on such books, the Company may treat the registered Holder hereof as the owner for all purposes.**

· This Warrant is exchangeable at such office for Warrants for the same aggregate number of shares of Common Stock, each new Warrant to represent the right to purchase such number of shares as the Holder shall designate at the time of such exchange.

Certain Adjustments. The Exercise Price in effect at any time and the number and kind of securities issuable upon exercise of this Warrant shall be subject to adjustment from time to time upon the happening of certain events as follows:

.153 Adjustment for Stock Splits and Combinations. If the Company at any time or from time to time on or after the Original Issuance Date effects a stock split or subdivision of the outstanding Common Stock, the Exercise Price then in effect immediately before that stock split or subdivision shall be proportionately decreased and the number of shares of Common Stock theretofore receivable upon the exercise of this Warrant shall be proportionately increased. If the Company at any time or from time to time effects a reverse stock split or combines the outstanding shares of Common Stock into a smaller number of shares, the Exercise Price then in effect immediately before that reverse stock split or combination shall be proportionately increased and the number of shares of Common Stock theretofore receivable upon the exercise of this Warrant shall be proportionately decreased. Each adjustment under this Section 5.A shall become effective at the close of business on the date the stock split, subdivision, reverse stock split or combination becomes effective.

.154 Adjustment for Certain Dividends and Distributions. If the Company at any time or from time to time on or after the Original Issuance Date makes or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in additional shares of Common Stock, then and in each such event the Exercise Price then in effect shall be decreased as of the time of such issuance or, in the event such record date is fixed, as of the close of business on such record date, by multiplying the Exercise Price then in effect by a fraction (1) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date and (2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution; provided, however, that if such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Exercise Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Exercise Price shall be adjusted pursuant to this Section 5B as of the time of actual payment of such dividends or distributions.

.155 Adjustments for Other Dividends and Distributions. In the event the Company at any time or from time to time on or after the Original Issuance Date makes, or fixes a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Company other than shares of Common Stock, then and in each such event provision shall be made so that the Holder of this Warrant shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Company which the Holder would have received had this Warrant been exercised on the date of such event and had Holder thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by the Holder as aforesaid during such period, subject to all other adjustments called for during such period under this Section 5 with respect to the rights of the Holder of this Warrant.

.156 Adjustment for Reclassification, Exchange and Substitution. In the event that at any time or from time to time on or after the Original Issuance Date, the Common Stock issuable upon the exercise of this Warrant is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend or a reorganization, merger, consolidation or sale of assets, provided for elsewhere in this Section 5), then and in any such event the Holder of this Warrant shall have the right thereafter upon exercise of this Warrant to receive the kind and amount of stock and other securities and property receivable by holders of Common Stock upon such recapitalization, reclassification or other change, that the Holder would have received if this Warrant had been exercised immediately prior to such recapitalization, reclassification or change, all subject to further adjustment as provided herein.

.157 Adjustment for Reorganizations, Mergers, Consolidations or Sales of Assets. If at any time or from time to time on or after the Original Issuance Date there is a capital reorganization of the Common Stock (other than a recapitalization, subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 5) or a merger or consolidation of the Company with or into another corporation, or the sale of all or substantially all of the Company's properties and assets to any other person, then, as a part of such reorganization, merger, consolidation or sale, provision shall be made so that the Holder of this Warrant shall thereafter be entitled to receive upon exercise of this Warrant the number of shares of stock or other securities or property to which a holder of the number of shares of Common Stock deliverable upon conversion would have been entitled on such capital reorganization, merger, consolidation, or sale. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the Holder of this Warrant after the reorganization, merger, consolidation or sale to the end that the provisions of this Section 5 (including adjustment of the Exercise Price then in effect and the number of shares to be received upon exercise of this Warrant) shall be applicable after that event and be as nearly equivalent as may be practicable.

.158 Adjustment for Sale of Shares Below Conversion Price.

.1 In the event the Company shall at any time issue Additional Stock (as defined below) at a price per share less than the Conversion Price then in effect or without consideration (a "Trigger Issuance") then the Conversion Price then in effect upon each such Trigger Issuance shall be adjusted to a price determined as follows:

$$\text{Conversion Price} = \frac{(A \times B) + D}{A + C}$$

Where:
"A" equals the number of shares of Common Stock outstanding, including Additional Stock deemed to be issued hereunder, immediately preceding such Trigger Issuance;

"B" equals the Conversion Price in effect immediately preceding such Trigger Issuance;

"C" equals the number of shares of Additional Stock issued or deemed issued hereunder as a result of the Trigger Issuance; and

"D" equals the aggregate consideration, if any, received or deemed to be received by the Company upon such Trigger Issuance,

provided, *however*, that in no event shall the Conversion Price after giving effect to such Trigger Issuance be greater than the Conversion Price immediately prior to such Trigger Issuance.

.2 "Additional Stock**" shall mean Common Stock or options, warrants or other rights to acquire or securities convertible into or exchangeable for shares of Common Stock, including shares held in the Company's treasury, and shares of Common Stock issued upon the exercise of any options, rights or warrants to subscribe for shares of Common Stock and shares of Common Stock issued upon the direct or indirect conversion or exchange of securities for shares of Common Stock, other than Additional Stock:**

.A issued or issuable upon conversion any Notes issued in connection with the Offering;

.B issued or issuable upon the exercise of any Warrants and/or Agent Warrants issued in connection with the Offering;

.C issued or issuable upon the conversion or exercise or exchange of options, warrants, rights and other securities or debt that are outstanding on the Issue Date;

.D issued or issuable pursuant to stock option plans which have been approved by the Company's directors and shareholders on or prior to the Issue Date; or

.E issued or issuable as a result of any anti-dilution in any outstanding securities of the Company that are outstanding on the Issue Date.

.159 No Adjustments in Certain Circumstances. No adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least five ($0.05) cents in such price; provided, however, that any adjustments which by reason of this Section 5G **are not required to be made shall be carried forward and taken into account in any subsequent adjustment required to be made hereunder. All calculations under this** Section 5 **shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.**

.160 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Exercise Price pursuant to this Section 5, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of a Warrant a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of a Warrant, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) Exercise Price at the time in effect, and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the exercise of the Warrant.

Notices of Record Date. In case:

.161 the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time receivable upon the exercise of the Warrants) for the purpose of entitling them to receive any dividend or other distribution, or any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right, or

.162 of any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company with or into another corporation, or any conveyance of all or substantially all of the assets of the Company to another corporation, or

.163 of any voluntary dissolution, liquidation or winding-up of the Company, then, and in each such case, the Company will mail or cause to be mailed to each holder of a Warrant at the time outstanding a notice specifying, as the case may be, (a) the date on which a record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (b) the date on which such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding-up is expected to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such stock or securities at the time receivable upon the exercise of the Warrants) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, conveyance, dissolution, liquidation or winding-up, such notice shall be mailed at least ten (10) days prior to the date therein specified.

Loss or Mutilation. Upon receipt by the Company of evidence satisfactory to it (in the exercise of reasonable discretion) of the ownership of and the loss, theft, destruction or mutilation of any Warrant and (in the case of loss, theft or destruction) of indemnity satisfactory to it (in the exercise of reasonable discretion), and (in the case of mutilation) upon surrender and cancellation thereof, the Company will execute and deliver in lieu thereof a new Warrant of like tenor.

Reservation of Common Stock. The Company shall at all times reserve and keep available for issue upon the exercise of Warrants such number of its authorized but unissued shares of Common Stock as will be sufficient to permit the exercise in full of all outstanding Warrants. All of the shares of Common Stock issuable upon the exercise of the rights represented by this Warrant will, upon issuance and receipt of the Exercise Price therefor, be fully paid and nonassessable, and free from all preemptive rights, rights of first refusal or first offer, taxes, liens and charges of whatever nature, with respect to the issuance thereof.

Registration Rights. All shares of Common Stock issuable upon exercise of this Warrant shall have the registration rights set forth in the Registration Rights Agreement by and between the Holder and the Company, which rights are expressly incorporated and made a part of this Warrant.

Notices. All notices and other communications from the Company to the Holder of this Warrant shall be mailed by first class, registered or certified mail, postage prepaid, to the address furnished to the Company in writing by the Holder.

Change; Modifications; Waiver. No terms of this Warrant may be amended, waived or modified except by the express written consent of the Company and the Holder.

Headings. The headings in this Warrant are for purposes of convenience in reference only, and shall not be deemed to constitute a part hereof.

Governing Law, Etc. This Warrant shall be governed by and construed in accordance with the internal laws of the State of New York without regard to the conflicts of laws principles thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

ANPATH GROUP, INC.

By: _____
Name:
Title:

EXHIBIT A

SUBSCRIPTION FORM

(To be executed by the Holder only upon exercise of Warrant)

· The undersigned registered owner of this Warrant irrevocably exercises this Warrant and purchases _____ of the number of shares of Common Stock of Anpath Group, Inc., purchasable with this Warrant, and herewith makes payment therefor, all at the price and on the terms and conditions specified in this Warrant.

· The Holder shall make payment of the Exercise Price as follows (check one):

· _____ "Cash Exercise" pursuant to Section 2.A of the Warrant

· _____ "Net Issue Exercise Election" pursuant to Section 2.B of the Warrant

· Notwithstanding anything to the contrary contained herein, this Exercise Notice shall constitute a representation by the Holder that, after giving effect to the exercise provided for in this Exercise Notice, the Holder (together with its affiliates) will not have beneficial ownership (together with the beneficial ownership of such Person's affiliates) of a number of shares of Common Stock which exceeds the Maximum Percentage of the total outstanding shares of Common Stock as determined pursuant to the provisions of Section 2.C of the Warrant.

· The Holder represents to the Company that, as of the date of exercise:

· i. the shares of Common Stock being purchased pursuant to this Exercise Notice are being acquired solely for the Holder's own account and not as a nominee for any other party, for investment, and not with a view toward distribution or resale; and

· ii. the Holder is an "accredited investor" as such term is defined in Rule 501(a)(1) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act.

· If the Holder cannot make the representations required above, because they are factually incorrect, it shall be a condition to the exercise of the Warrant that the Company receive such other representations as the Company considers necessary, acting reasonably, to assure the Company that the issuance of securities upon exercise of this Warrant shall not violate any United States or other applicable securities laws.

Dated: _____ Name of Holder: _____

(Print)

By:
Name:
Title:
(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

EXHIBIT B

FORM OF ASSIGNMENT

.

· **FOR VALUE RECEIVED** the undersigned registered owner of this Warrant hereby sells, assigns and transfers unto the Assignee named below all of the rights of the undersigned under the within Warrant, with respect to the number of shares of Common Stock set forth below:

Name of Assignee	Address	Number of Shares

and does hereby irrevocably constitute and appoint _____ Attorney to make such transfer on the books of Anpath Group, Inc., maintained for the purpose, with full power of substitution in the premises.

Dated: _____

_____
(Signature)

_____
(Witness)

The undersigned Assignee of the Warrant hereby makes to Anpath Group, Inc., as of the date hereof, with respect to the Assignee, all of the representations and warranties made by the Holder, and the undersigned Assignee agrees to be bound by all the terms and conditions of the Warrant.

Dated: _____

_____
(Signature)

EXHIBIT 10.23

Form of Registration Rights Agreement between the Company and each of the investors in the Company's December 2008 offering

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "**Agreement**") is made as of _____, 200__, by and among Anpath Group, Inc., a Delaware corporation (the "**Company**") and each purchaser of securities of the Company pursuant to a Subscription Agreement (as defined below) (each an "**Investor**" and, collectively, the "**Investors**").

WHEREAS, the Company has agreed to issue and sell to the Investors (the "**Offering**"), and the Investors have agreed to purchase from the Company, an aggregate of up to five hundred (500) units (each a "**Unit**" and, collectively, the "**Units**") for an aggregate purchase price of $5,000,000 (the "**Offering Amount**"), priced at $10,000 per Unit, with each Unit consisting of (i) a $10,000 aggregate principal amount eight (8%) percent convertible promissory note (each a "**Note**," and, collectively, the "**Notes**") of the Company, convertible into shares (the "**Conversion Shares**") of the Company's common stock, $0.0001 par value per share (the "**Common Stock**") and (ii) a warrant (each a "**Warrant**" and, collectively, the "**Warrants**"), to purchase shares (the "**Warrant Shares**") of Common Stock as provided in Subscription Agreements between the Company and each of the Investors (the "**Subscription Agreement**"); and

WHEREAS, the Company has agreed to provide certain registration rights with respect to the resale of (i) the Conversion Shares and (ii) the Warrant Shares, all on the terms and conditions provided herein; and

WHEREAS, the terms of the Subscription Agreement provide that it shall be a condition precedent to the closing of the transactions thereunder, for the Company and the Investors to execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, the parties hereto hereby agree as follows:

DEFINITIONS. The following terms shall have the meanings provided therefor below or elsewhere in this Agreement as described below:

.164 "Business Day**" means any day that is not a Saturday or Sunday, or a day on which banks are required or permitted to be closed in the State of North Carolina.**

.165 "Closing**" shall have the meaning ascribed to such term in the Subscription Agreement.**

.166 "Conversion Shares**" as defined in the preamble.**

.167 "Effectiveness Date**" means, with respect to the Initial Registration Statement, the earlier of: (i) (a) in the event that the Registration Statement is not subject to review by the SEC, the one hundred twentieth (120th) calendar day after the Final Closing Date and (b) in the event that the Registration Statement is subject to review by the SEC, the one hundred sixtieth (160th) calendar day after the Final Closing Dateand (ii) the fifth Trading Day following the date on which the Company is notified by the SEC that the effectiveness of the Registration Statement may be accelerated and, with respect to any additional Registration Statements which may be required to be filed hereunder pursuant to Section 3(d) or otherwise, the earlier of: (i) (a) in the event that the Registration Statement is not subject to review by the SEC, the one hundred twentieth (120th) calendar day after the date on which the Registration Statement is required to be filed hereunder and (b) in the event that the Registration Statement is subject to review by the SEC, the one hundred sixtieth (160th) calendar day after the date such additional Registration Statement is required to be filed hereunder and (ii) the seventh Trading Day following the date on which the Company is notified by the SEC that the effectiveness of such additional Registration Statement may be accelerated; provided, however, that if the Effectiveness Date falls on a Saturday, Sunday or other day, that the SEC is closed for business the Effectiveness Date shall be extended to the next Business Day.**

.168 "Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and all of the rules and regulations promulgated thereunder.**

.169 "Filing Date**" shall mean, with respect to the Initial Registration Statement, the date that is forty-five (45) calendar days after the date of the Final Closing Date, provided, however, that if the Filing Date falls on a Saturday, Sunday or other day that the SEC is closed for business, the Filing Date shall be extended to the next Business Day.**

.170 "Final Closing**" shall have the meaning ascribed to such term in the Subscription Agreement.**

.171 "Initial Closing**" shall have the meaning ascribed to such term in the Subscription Agreement.**

.172 "Holder**" or "**Holders**" shall mean the holder or holders, as the case may be, from time to time of Registrable Securities.**

.173 "Initial Registration Statement**" shall mean the initial Registration Statement filed pursuant to this Agreement.**

.174 "Investors**" as defined in the preamble; provided, however, that the term "Investors" shall not include any Investors that do not own or hold any Registrable Securities.**

.175 "Person**" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or agency or subdivision thereof) or other entity of any kind.**

.176 "Registrable Securities**" shall mean the Conversion Shares and the Warrant Shares.**

.177 "Registration Statement**" means any one or more registration statements required to be filed pursuant hereto with the SEC by the Company on Form S-3, or in the event the Company is not eligible to use Form S-3, on Form S-1, for the purpose of registering the Registrable Securities, including (in each case) the prospectus, amendments and supplements to such registration statement or prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.**

.178 "Rule 144**" shall mean Rule 144 promulgated by the SEC pursuant to the Securities Act and any successor or substitute rule, law or provision.**

.179 "Rule 172**" means Rule 172 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.**

.180 "Rule 424**" means Rule 424 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.**

.181 "SEC**" shall mean the United States Securities and Exchange Commission.**

.182 "SEC Guidance**" means (i) any publicly-available written guidance, or rule of general applicability of the SEC staff, or (ii) oral or written comments, requirements or requests of the SEC staff to the Company in connection with the review of a Registration Statement.**

.183 "Securities**" shall mean the Units, the Notes, the Conversion Shares, the Warrants, and the Warrant Shares.**

.184 "Securities Act**" shall mean the Securities Act of 1933, as amended, and all of the rules and regulations promulgated thereunder.**

.185 "Trading Day**" means (a) if the Common Stock is listed or quoted on the NASDAQ Market or NYSE Alternext (formerly known as the American Stock Exchange), then any day during which securities are generally eligible for trading on the NASDAQ Market or NYSE Alternext, or (b) if the Common Stock is not then listed or quoted and traded on the NASDAQ Market or NYSE Alternext, then any Business Day.**

.186 "Warrant Shares**" as defined in the preamble.**

EFFECTIVENESS. **This Agreement shall become effective and legally binding only if the First Closing occurs.**

MANDATORY REGISTRATION.

.187 The Company shall be required to file an Initial Registration Statement on or prior to the Filing Date registering the Registrable Securities for resale by the Holders as selling stockholders thereunder. On or prior to the Filing Date, the Company shall prepare and file with the SEC an Initial Registration Statement for the purpose of registering under the Securities Act the resale of all, or such portion as permitted by SEC Guidance of the Registrable Securities by, and for the account of, the Holders as selling stockholders thereunder, that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. No other securities shall be included in the Initial Registration Statement that is filed except for the Registrable Securities. Each Registration Statement (including the Initial Registration Statement) shall contain the "Plan of Distribution" in substantially the form of attached to the Selling Stockholder Questionnaire attached hereto as Exhibit A (except if otherwise required pursuant to SEC Guidance). The Company shall cause a Registration Statement to be declared effective by the SEC under the Securities Act as promptly as practicable after the filing thereof, but in any event on or prior to the applicable Effectiveness Date.

.188 The Company shall be required to keep a Registration Statement effective until such date that is the earlier of (i) the date that is twelve (12) months after the effective date of the Registration Statement or (ii) the date when all of the Registrable Securities registered thereunder shall have been sold (the "Effectiveness Period"). Thereafter, the Company shall be entitled to withdraw such Registration Statement and the Holders shall have no further right to offer or sell any of the Registrable Securities registered for resale thereon pursuant to the respective Registration Statement (or any prospectus relating thereto).

.189 Notwithstanding any other provision of this Agreement, if any SEC Guidance sets forth a limitation on the number of Registrable Securities to be registered in the Initial Registration Statement, the number of Registrable Securities to be registered for each Holder on such Registration Statement will be reduced on a pro-rata basis. The Company shall file a new Registration Statement as soon as reasonably practicable covering the resale by the Holders of not less than the number of such Registrable Securities that are not registered in the Initial Registration Statement. The Company shall not be liable for liquidated damages under Section 5(a) as to any Registrable Securities which are not permitted by the SEC to be included in a Registration Statement due to SEC Guidance. In such case, any liquidated damages payable under Section 5(a) shall be calculated to apply only the percentage of Registrable Securities which are permitted in accordance with SEC Guidance to be included in such Registration Statement.

.190 If during the Effectiveness Period, subject to Section 3(a) and Section 3(c), the Company becomes aware that the number of Registrable Securities at any time exceeds the number of Registrable Securities then registered for resale in a Registration Statement, then the Company shall file as soon as reasonably practicable an additional Registration Statement covering the resale by the Holders of not less than the number of such Registrable Securities that are not then registered.

.191 Notwithstanding any other provision of this Agreement, if during the Effectiveness Period any of the Registrable Securities become eligible for resale without restriction pursuant to Rule 144 (the "Rule 144 Eligible Securities") then the number of Registrable Securities outstanding at any one time shall be reduced by the number of Rule 144 Eligible Securities and the Company may at its option file an amendment to any Registration Statement to reduce the number of Registrable Securities accordingly. The Company acknowledges that the Company's obligation to file its periodic disclosure documents for the twelve (12) month period preceding the date of sale is a "restriction" as that term is used in the first sentence of this Section 3(e).

PIGGYBACK REGISTRATION.

.192 If, at any time, commencing on the date of the Final Closing Date, the Company proposes to prepare and file with the SEC a registration statement under the Securities Act, the Company will give written notice to each Holder of its intention to do so pursuant to Section 15(c) and shall include all of the Registrable Securities in such registration statement; provided, however, that in connection with any offering involving an underwriting of shares of Common Stock, the Company shall not be required to include the Registrable Securities of any Holder in such registration statement unless such Holder accepts the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. In the event that the underwriters determine that less than all of the Registrable Securities required to be registered can be included in such offering, then the Registrable Securities that are included shall be apportioned to the Holders on a pro-rata basis. The Company shall use its best efforts to effect the registration under the Securities Act of the Registrable Securities at the Company's sole cost and expense (other than any commission, discounts or counsel fees payable by the Holders, as further provided in Section 7 hereof).

.193 Notwithstanding the preceding provision of this Section 4, the Company shall have the right any time after it shall have given written notice pursuant to this Section 4 (irrespective of whether any written request for inclusion of such securities shall have already been made) to elect not to file any proposed registration statement, or to withdraw the same after the filing but prior to the effective date thereof.

.194 The Company shall use its commercially reasonable efforts to cause the registration statement filed pursuant to this Section 4 to become effective as promptly as possible under the circumstances at the time prevailing and, if any stop order shall be issued by the SEC in connection therewith, to use its reasonable efforts to obtain the removal of such order.

.195 To the extent any Registrable Securities of the Holders are included in such registration statement, the Company shall notify each Holder by facsimile or e-mail as promptly as practicable, and in any event, within two (2) Trading Days, after such registration statement is declared effective and shall simultaneously provide the Holders with a copy of any related prospectus to be used in connection with the sale or other disposition of the Registrable Securities covered thereby.

PENALTIES/SUSPENSION OF A REGISTRATION STATEMENT.

.196 If: (i) the Initial Registration Statement or any other Registration Statement is not filed on or prior to the Filing Date or, (ii) the Initial Registration Statement or any other Registration Statement is not declared effective (or otherwise does not become effective) on or prior to the Effectiveness Date (any such failure being referred to as an "Event," and the date on which such Event occurs being referred to as "Event Date"), then, in addition to any other rights the Investors may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Investor on a monthly basis within five (5) Business Days of the end of the month an amount in cash, as partial liquidated damages and not as a penalty, equal to one-half of one percent (0.5%) of the aggregate purchase price paid by such Investor pursuant to the Subscription Agreement for any Registrable Securities then held by such Investor that are not then eligible for resale pursuant to the Initial Registration Statement or other Registration Statement. The parties agree that the maximum aggregate liquidated damages payable to an Investor under this Agreement shall be six (6%) percent of the aggregate amount paid by such Investor for its respective Securities pursuant to the Subscription Agreement. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event.

.197 The Company shall notify each Holder by facsimile or e-mail as promptly as practicable, and in any event, within two (2) Trading Days, after a Registration Statement is declared effective and shall simultaneously provide the Holders with a copy of any related prospectus to be used in connection with the sale or other disposition of the Registrable Securities covered thereby.

.198 No Investor shall be entitled to a payment pursuant to this Section 5 if effectiveness of a Registration Statement has been delayed or a prospectus has been unavailable as a result of (i) a failure by such Investor to promptly provide on request by the Company the information required under the Subscription Agreement or this Agreement or requested by the SEC as a condition to effectiveness of a Registration Statement; (ii) the provision of inaccurate or incomplete information by such Investor; or (iii) a statement or determination of the SEC that any provision of the rights of the Investor under this Agreement are contrary to the provisions of the Securities Act.

OBLIGATIONS OF THE COMPANY. In the event the Company files a Registration Statement with the SEC in connection with Section 3 or Section 4 hereof that covers the Registrable Securities and uses its reasonable efforts to cause a Registration Statement to become effective, the Company shall:

.199 Use reasonable efforts to prepare and file with the SEC such amendments and supplements to a Registration Statement and the prospectus used in connection therewith as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by a Registration Statement;

.200 Furnish to the selling Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents (including, without limitation, prospectus amendments and supplements as are prepared by the Company in accordance with Section 6(a) above) as the selling Holders may reasonably request in order to facilitate the disposition of such selling Holders' Registrable Securities;

.201 Use reasonable efforts to comply with all applicable rules and regulations of the SEC under the Securities Act and the Exchange Act, including, without limitation, Rule 172 under the Securities Act, file any final prospectus, including any supplement or amendment thereof, with the SEC pursuant to Rule 424 under the Securities Act, promptly inform the Holders in writing if, at any time during a period of effectiveness, the Company does not satisfy the conditions specified in Rule 172 and, as a result thereof, the Holders are required to deliver a prospectus in connection with any disposition of Registrable Securities; notify the selling Holders of the happening of any event as a result of which the prospectus included in or relating to a Registration Statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading; and, thereafter, subject to Section 12 hereof, the Company will promptly prepare (and, when completed, give notice and provide a copy thereof to each selling Holder) a supplement or amendment to such prospectus so that such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading; provided, however, that upon such notification by the Company (which shall be a Suspension pursuant to Section 12), the selling Holders will not offer or sell Registrable Securities until the Company has notified the selling Holders that it has prepared a supplement or amendment to such prospectus and filed it with the SEC or, if the Company does not then meet the conditions for the use of Rule 172, delivered copies of such supplement or amendment to the selling Holders (it being understood and agreed by the Company that the foregoing provision shall in no way diminish or otherwise impair the Company's obligation to promptly prepare a prospectus amendment or supplement as above provided in this Section 6(c) and deliver copies of same as above provided in Section 6(b) hereof); and

.202 Use reasonable efforts to register and qualify the Registrable Securities covered by a Registration Statement under such other securities or blue sky laws of such states as shall be reasonably appropriate in the opinion of the Company, provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, and provided further that (notwithstanding anything in this Agreement to the contrary with respect to the bearing of expenses) if any jurisdiction in which any of such Registrable Securities shall be qualified shall require that expenses incurred in connection with the qualification therein of any such Registrable Securities be borne by the selling Holders, then the selling Holders shall, to the extent required by such jurisdiction, pay their pro-rata share of such qualification expenses.

.203 Subject to the terms and conditions of this Agreement, including Section 3 and Section 4 hereof, the Company shall use its reasonable efforts to (i) prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction in the United States, and (ii) if such an order or suspension is issued, obtain the withdrawal of such order or suspension at the earliest practicable moment and notify each Holder of Registrable Securities of the issuance of such order and the resolution thereof or its receipt of notice of the initiation or threat of any proceeding such purpose.

.204 The Company shall comply with all requirements of the Financial Industry Regulatory Authority, Inc. ("FINRA") with regard to the issuance of the Registrable Securities and the listing thereof on the OTC Bulletin Board and such other securities exchange or automated quotation system, as applicable.

OBLIGATIONS OF THE HOLDERS.

.205 It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement that each of the selling Holders shall furnish to the Company a completed Selling Stockholder Questionnaire in the form attached as Exhibit A hereto (the "Selling Stockholder Questionnaire") and such other information regarding them and the Securities held by them as the Company shall reasonably request and as shall be required in order to effect any registration by the Company pursuant to this Agreement. The Company shall not be required to include the Registrable Securities of any Holder who fails to furnish to the Company a fully completed Selling Stockholder Questionnaire at least ten (10) Trading Days prior to the Filing Date. Additionally, each Holder shall promptly notify the Company of any changes in the information furnished in the Selling Stockholder Questionnaire or otherwise to the Company.

.206 Each Holder agrees to cooperate with the Company as reasonably requested by the Company in connection with the filing of any Registration Statement hereunder, unless such Holder has notified the Company in writing that such Holder elects to exclude all of its Registrable Securities from such Registration Statement.

.207 Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 6(c), each Holder shall immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement covering such Registrable Securities until such Holders receipt of the copies of the supplemented or amended prospectus contemplated by Section 6(c) or receipt of notice that no supplement or amendment is required.

.208 Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it or an exemption therefrom in connection with sale of Registrable Securities pursuant to any Registration Statement.

EXPENSES OF REGISTRATION.

.209 Except as set forth in Section 6(d), all expenses incurred in connection with the registration of the Registrable Securities pursuant to this Agreement (excluding underwriting, brokerage and other selling commissions and discounts), including without limitation all registration and qualification and filing fees, printing, fees and disbursements of counsel for the Company shall be borne by the Company; provided, however, the Holders shall be required to pay the expenses of counsel and any other advisors for the Holders and any brokerage or other selling discounts or commissions and any other expenses incurred by the Holders for their own account.

.210 Until such time as all of the Registrable Securities have been sold pursuant to an effective Registration Statement, the Company shall take such reasonable action as the Holder may request, all to the extent required from time to time to enable such Holder to sell the Registrable Securities without registration under the Securities Act pursuant to the provisions of Rule 144 under the Securities Act (or any successor provision), provided, however, that it shall be the Holder's sole responsibility to obtain any required legal opinions and pay any and all fees and expenses related to obtaining any legal opinions, including, but not limited to legal counsel fees.

DELAY OF REGISTRATION. The Holders shall not take any action to restrain, enjoin or otherwise delay any registration as the result of any controversy which might arise with respect to the interpretation or implementation of this Agreement.

INDEMNIFICATION.

.211 To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and each officer and director of such selling Holder and each person, if any, who controls such selling Holder, within the meaning of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which they may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue or alleged untrue statement of any material fact contained in a Registration Statement, in any preliminary prospectus or final prospectus relating thereto or in any amendments or supplements to a Registration Statement or any such preliminary prospectus or final prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; (ii) any blue sky application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Registrable Securities under the securities laws thereof (any such application, document or information herein called a "Blue Sky Application"); (iii) the omission or alleged omission to state in a Blue Sky Application a material fact required to be stated therein or necessary to make the statements therein not misleading; (iv) any violation by the Company or its agents of any rule or regulation promulgated under the Securities Act applicable to the Company or its agents and relating to action or inaction required of the Company in connection with such registration of the Registrable Securities; or (v) any failure to register or qualify the Registrable Securities included in any such Registration Statement in any state where the Company or its agents has affirmatively undertaken or agreed in writing that the Company will undertake such registration or qualification on a Holder's behalf; and will reimburse such selling Holder, or such officer, director or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 10(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, damage, liability or action to the extent that it arises out of or is based upon (i) an untrue statement or alleged untrue statement or omission made in connection with a Registration Statement, any preliminary prospectus or final prospectus relating thereto or any amendments or supplements to a Registration Statement or any such preliminary prospectus or final prospectus, in reliance upon and in conformity with written information furnished expressly for use in connection with a Registration Statement or any such preliminary prospectus or final prospectus by the selling Holders or (ii) at any time when the Company has advised the Holder in writing that the Company does not meet the conditions for use of Rule 172 and as a result that the Holder is required to deliver a current prospectus in connection with any disposition of Registrable Securities, an untrue statement or alleged untrue statement or omission in a prospectus that is (whether preliminary or final) corrected in any subsequent amendment or supplement to such prospectus that was delivered to the selling Holder before the pertinent sale or sales by the selling Holder.

.212 To the extent permitted by law, each selling Holder will severally and not jointly indemnify and hold harmless the Company, each of its directors, each of its officers who have signed a Registration Statement, each person, if any, who controls the Company within the meaning of the Securities Act, against any losses, claims, damages or liabilities to which the Company or any such director, officer, controlling person, may become subject to, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any untrue or alleged untrue statement of any material fact contained in a Registration Statement or any preliminary prospectus or final prospectus, relating thereto or in any amendments or supplements to a Registration Statement or any such preliminary prospectus or final prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent and only to the extent that such untrue statement or alleged untrue statement or omission or alleged omission (i) was made in a Registration Statement, in any preliminary prospectus or final prospectus relating thereto or in any amendments or supplements to a Registration Statement or any such preliminary prospectus or final prospectus, in reliance upon and in conformity with written information furnished by the selling Holder expressly for use in connection with a Registration Statement, or any preliminary prospectus or final prospectus or (ii) at any time when the Company has advised the Holder in writing that the Company does not meet the conditions for use of Rule 172 and as a result that the Holder is required to deliver a current prospectus in connection with any disposition of Registrable Securities, was corrected in any subsequent amendment or supplement to such prospectus that was delivered to the selling Holder before the pertinent sale or sales by the selling Holder; and such selling Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, or other selling Holder in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the liability of each selling Holder hereunder shall be limited to the net proceeds received by such selling Holder from the sale of Registrable Securities giving rise to such liability, and provided further, that the indemnity agreement contained in this Section 10(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of those selling Holder(s) against which the request for indemnity is being made (which consent shall not be unreasonably withheld).

.213 Promptly after receipt by an indemnified party under this Section 10 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 10, notify the indemnifying party in writing of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party desires, jointly with any other indemnifying party similarly noticed, to assume at its expense the defense thereof with counsel satisfactory to the indemnifying party or indemnifying parties, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party for contribution or otherwise under the indemnity agreement contained in this Section 10 (except to the extent that such omission materially and adversely affects the indemnifying person's ability to defend such action). In the event that the indemnifying party assumes any such defense, the indemnified party may participate in such defense with its own counsel and at its own expense, provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded, based on an opinion of counsel reasonably satisfactory to the indemnifying party, that there may be a conflict of interest between the positions of the indemnifying party and the indemnified party in conducting the defense of any such action or that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 10 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless the indemnified party shall have employed such counsel in connection with the assumption of legal defenses in accordance with the proviso to the preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel and one local counsel, reasonably satisfactory to such indemnifying party, representing all of the indemnified parties who are parties to such action in which case the reasonable fees and expenses of counsel shall be at the expense of the indemnifying party.

.214 Notwithstanding anything to the contrary herein, the indemnifying party shall not be entitled to settle any claim, suit or proceeding unless in connection with such settlement the indemnified party receives an unconditional release with respect to the subject matter of such claim, suit or proceeding and such settlement does not contain any admission of fault by the indemnified party.

.215 If the indemnification provided for in this Section 10 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the Holders on the other in connection with the statements or omissions or other matters which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, in the case of an untrue statement, whether the untrue statement relates to information supplied by the Company on the one hand or a Holder on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement. The Company and the Holders agree that it would not be just and equitable if contribution pursuant to this subsection (e) were determined by pro-rata allocation (even if the Holders were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to above in this subsection (e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this subsection to contribute are several in proportion to their sales of Registrable Securities to which such loss relates and not joint. In no event shall the contribution obligation of a Holder be greater in amount than the dollar amount of the net proceeds (net of all expenses paid by such Holder in connection with any claim relating to this Section 10 and the amount of any damages such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

.216 The parties to this Agreement hereby acknowledge that they are sophisticated business persons who were represented by counsel during the negotiations regarding the provisions hereof including, without limitation, the provisions of this Section 10, and are fully informed regarding said provisions. They further acknowledge that the provisions of this Section 10 fairly allocate the risks in light of the ability of the parties to investigate the Company and its business in order to assure that adequate disclosure is made in a Registration Statement as required by the Securities Act and the Exchange Act.

REPORTS UNDER THE EXCHANGE ACT. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit the Holders to sell the Registrable Securities to the public without registration, during the two (2) year period after the Final Closing Date, the Company agrees to use reasonable efforts: (i) to make and keep public information available as those terms are understood in Rule 144, and (ii) to file with the SEC in a timely manner all reports and other documents required to be filed by an issuer of securities registered under the Securities Act or the Exchange Act pursuant to Rule 144, and (iii) undertake any additional actions reasonably necessary to maintain the availability of the use of Rule 144.

SUSPENSION. Notwithstanding anything in this Agreement to the contrary, in the event (i) of any non-voluntary demand on the Company by the SEC or any other federal or state governmental authority during the period of effectiveness of a Registration Statement for amendments or supplements to a Registration Statement or related prospectus or for additional information; (ii) of the issuance by the SEC or any other federal or state governmental authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose; (iii) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation of any proceeding for such purpose; or (iv) of any event or circumstance which requires to comply with applicable law the making of any changes in a Registration Statement or related prospectus, or any document incorporated or deemed to be incorporated therein by reference, so that, in the case of a Registration Statement, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the prospectus, it will not contain any untrue statement of a material fact or any omission to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, then the Company shall furnish to the selling Holders a certificate signed by the Chief Executive Officer or Chief Financial Officer of the Company setting forth in detail the facts relating to one or more of the above described circumstances, and the right of the selling Holders to use a Registration Statement (and the prospectus relating thereto) shall be suspended for a period (the "Suspension Period") of not more than ten (10) days after delivery by the Company of the certificate referred to above in this Section 12. During the Suspension Period, none of the Holders shall offer or sell any Registrable Securities pursuant to or in reliance upon a Registration Statement (or the prospectus relating thereto). The Company shall use its best efforts to terminate any Suspension Period as promptly as practicable.

TRANSFER OF REGISTRATION RIGHTS. A Holder shall have the right and may transfer or assign, at any time and from time to time, in whole or in part, to one or more Persons its rights hereunder in connection with the transfer of the Registrable Securities by such Holder to such person, provided that (a) such Holder complies with all laws applicable thereto, (b) the Company is furnished with written notice of the name and address of such transferee or assignee and the Registrable Securities to which such registration rights are being transferred, (c) at or before the time the Company received the written notice contemplated by clause (b) of this sentence the transferee or assignee agrees in writing (i) that it is an "accredited investor" as that term is defined in Rule 501 of Regulation D and (ii) to be bound by, all of the terms and conditions of, this Agreement by duly executing and delivering to the Company an Instrument of Adherence in the form attached as Exhibit B hereto and a Selling Stockholder Questionnaire in the form attached as Exhibit A hereto.

ENTIRE AGREEMENT. This Agreement, the Notes, the Warrants, the Subscription Agreement and all other documents relating to the Offering (and all exhibits and supplements to such documents) constitute and contain the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersede any and all prior negotiations, correspondence, agreements or understandings with respect to the subject matter hereof.

MISCELLANEOUS.

.217 This Agreement may not be amended, modified or terminated, and no rights or provisions may be waived, except with the written consent of the Company.

.218 This Agreement shall be governed by and construed exclusively in accordance with the internal laws of the State of New York without regard to the conflicts of laws principles thereof. The parties hereto hereby irrevocably agree that any suit or proceeding arising directly and/or indirectly pursuant to or under this Agreement, shall be brought solely in a federal or state court located in the City, County and State of New York. By its execution hereof, the parties hereby covenant and irrevocably submit to the *in personam* jurisdiction of the federal and state courts located in the City, County and State of New York and agree that any process in any such action may be served upon any of them personally, or by certified mail or registered mail upon them or their agent, return receipt requested, with the same full force and effect as if personally served upon them in New York City. The parties hereto waive any claim that any such jurisdiction is not a convenient forum for any such suit or proceeding and any defense or lack of *in personam* jurisdiction with respect thereto. In the event of any such action or proceeding, the party prevailing therein shall be entitled to payment from the other party hereto of its reasonable counsel fees and disbursements. EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.

.219 Any notices, reports or other correspondence (hereinafter collectively referred to as "correspondence") required or permitted to be given hereunder shall be in writing and shall be sent by postage prepaid first class mail, courier or telecopy or delivered by hand to the party to whom such correspondence is required or permitted to be given hereunder, and shall be deemed sufficient upon receipt when delivered personally or by courier, overnight delivery service or confirmed facsimile, or three (3) business days after being deposited in the regular mail as certified or registered mail (airmail if sent internationally) 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 below:

(i) All correspondence to the Company shall be addressed as follows:

Anpath Group, Inc.
116 Morlake Drive, Suite 201
Mooresville, NC 28117

Attention:	J. Lloyd Breedlove Chief Executive Officer
Facsimile:	(704) 658-3358

(ii) All correspondence to any Investor shall be sent to such Investor at the address set forth in the Investor Counterpart Signature Page to the Subscription Agreement.

(iii) Any entity may change the address to which correspondence to it is to be addressed by written notification as provided for herein.

.220 The parties acknowledge and agree that in the event of any breach of this Agreement, remedies at law may be inadequate, and each of the parties hereto shall be entitled to seek specific performance of the obligations of the other parties hereto and such appropriate injunctive relief as may be granted by a court of competent jurisdiction.

.221 Should any part or provision of this Agreement be held unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the invalid or unenforceable part or provisions shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in a valid and enforceable manner, and the remainder of this Agreement shall remain binding upon the parties hereto.

.222 This Agreement may be executed in a number of counterparts, any of which together shall for all purposes constitute one Agreement, binding on all the parties hereto notwithstanding that all such parties have not signed the same counterpart.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of the date and year first above written.

ANPATH GROUP, INC.

By: _____
J. Lloyd Breedlove
Chief Executive Officer

THE INVESTOR'S SIGNATURE TO THE SUBSCRIPTION AGREEMENT SHALL CONSTITUTE THE INVESTOR'S SIGNATURE TO THIS REGISTRATION RIGHTS AGREEMENT.

Signature Page to Registration Rights Agreement

Exhibit A

Anpath Group, Inc.

Selling Stockholder Questionnaire

The undersigned beneficial owner of certain Notes convertible into shares (the "**Conversion Shares**") of common stock, $0.0001 par value per share (the "**Common Stock**"), of Anpath Group, Inc. (the "**Company** ") and Warrants to purchase shares of Common Stock (the "**Warrant Shares**" and collectively with the Conversion Shares, the "**Registrable Securities**") understands that the Company intends to file with the Securities and Exchange Commission (the "**Commission**") a registration statement (the "**Registration Statement**") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "**Securities Act**"), of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement, dated as of _____, 200__ (the "**Registration Rights Agreement**"), among the Company and the Investors named therein. The purpose of this Questionnaire is to facilitate the filing of the Registration Statement under the Securities Act that will permit you to resell the Registrable Securities in the future. The information supplied by you will be used in preparing the Registration Statement. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling securityholder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the "**Selling Stockholder**") of Registrable Securities hereby elects to include the Registrable Securities owned by it and listed below in Item 3 (unless otherwise specified under such Item 3) in the Registration Statement.

QUESTIONNAIRE

1. Name.

(a) Full Legal Name of Selling Stockholder

(b) Full Legal Name of Registered Holder (if not the same as (a) above) through which Registrable Securities Listed in Item 3 below are held:

(c) Full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by the questionnaire):

---

2. Address for Notices to Selling Stockholder:

Telephone: _____
Fax: _____
Contact Person: _____
E-mail address of Contact Person: _____

3. Beneficial Ownership of Registrable Securities:

(a) Type and Number of Notes and Warrants of the Company beneficially owned:

Notes:	Warrants:

4. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes ☐ No ☐

(b) If your response to question 4(a) is "yes", did you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes ☐ No ☐

Note: If your response to question 4(a) is "yes" and your response to question 4(b) is "no," the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes ☐ No ☐

Note: If yes, provide a narrative explanation below:

(d) If you are an affiliate of a broker-dealer, do you certify that you bought the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes ☐ No ☐

Note: If your response to question 4(c) is "yes" and your response to question 4(d) is "no," the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

5. Beneficial Ownership of Other Securities of the Company Owned by the Selling Stockholder.

Except as set forth below in this Item 5, the undersigned is not the beneficial or registered owner of any securities of the Company other than the securities listed above in Item 3.

(a) As of _____, 2008, the Selling Stockholder owned outright (including shares registered in Selling Stockholder's name individually or jointly with others, shares held in the name of a bank, broker, nominee, depository or in "street name" for its account), _____ shares of the Company's capital stock (excluding the Registrable Securities). If "zero," please so state.

(b) In addition to the number of shares Selling Stockholder owned outright as indicated in Item 5(a) above, as of _____, 2008, the Selling Stockholder had or shared voting power or investment power, directly or indirectly, through a contract, arrangement, understanding, relationship or otherwise, with respect to _____ shares of the Company's capital stock (excluding the Registrable Securities). If "zero," please so state.

If the answer to question 5(b) is not "zero," please complete the following tables:

Sole Voting Power:

Number of Shares	Nature of Relationship Resulting in Sole Voting Power

Shared Voting Power:

Number of Shares	With Whom Shared	Nature of Relationship

Sole Investment Power:

Number of Shares	Nature of Relationship Resulting in Sole Investment power	

Shared Investment Power:

Number of Shares	With Whom Shared	Nature of Relationship

(b) As of _____, 2008, the Selling Stockholder had the right to acquire the following shares of the Company's common stock pursuant to the exercise of outstanding stock options, warrants or other rights (excluding the Registrable Securities). Please describe the number, type and terms of the securities, the method of ownership, and whether the undersigned holds sole or shared voting and investment power. If "none," please so state.

6. Relationships with the Company:

Except as set forth below, neither the undersigned nor any of its affiliates, officers, directors or principal equity holders (owners of 5% of more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

State any exceptions below:

7. Plan of Distribution:

The undersigned has reviewed the form of Plan of Distribution attached hereto as Annex A and hereby confirms that, except as set forth below, the information contained therein regarding the undersigned and its plan of distribution is correct and complete.

State any exceptions here:

****

The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof and prior to the effective date of any applicable Registration Statement filed pursuant to the Registration Rights Agreement.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 7 and the inclusion of such information in each Registration Statement filed pursuant to the Registration Rights Agreement and each related prospectus. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of any such Registration Statement and the related prospectus.

By signing below, the undersigned acknowledges that it understands its obligation to comply, and agrees that it will comply, with the provisions of the Exchange Act and the rules and regulations thereunder, particularly Regulation M. The undersigned also acknowledges that it understands that the answers to this Questionnaire are furnished for use in connection with Registration Statements filed pursuant to the Registration Rights Agreement and any amendments or supplements thereto filed with the Commission pursuant to the Securities Act.

I confirm that, to the best of my knowledge and belief, the foregoing statements (including without limitation the answers to this Questionnaire) are correct.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated: _____

Beneficial Owner: _____

_____

By: _____

Name:
Title:

PLAN OF DISTRIBUTION

The selling stockholders and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which such shares are traded or in private transactions. These sales may be at fixed or negotiated prices. No short sales of the shares of common stock being offered for resale under this prospectus are permitted prior to the date that the registration statement, of which this prospectus forms a part, has been declared effective by the Securities and Exchange Commission. The selling stockholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares under Rule 144 under the Securities Act, if available, rather than under this prospectus.

Broker-dealers engaged by the selling stockholders may arrange for other brokers/dealers to participate in sales. Broker-dealers may receive commissions from the selling stockholders (or, if any broker/dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling stockholders do not expect these commissions to exceed what is customary in the types of transactions involved.

The selling stockholders may from time to time pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus.

The aggregate proceeds to the selling stockholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling stockholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering. However, with respect to the warrants upon exercise of such warrants by payment of cash, we will receive the exercise price of the warrants.

The selling stockholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock may be deemed "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any discounts, commissions, concessions or profit they earn on any resale of the shares may be deemed to be underwriting discounts and commissions under the Securities Act. Selling stockholders who are deemed underwriters within the meaning of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act. The selling stockholders have informed us that they do not have any agreement or understanding, directly or indirectly, with any persons to distribute the common stock.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling stockholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling stockholders and their affiliates. In addition, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling stockholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling stockholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

We are required to pay certain fees and expenses incident to the registration of the shares. We have agreed to indemnify the selling stockholders against liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the shares offered by this prospectus.

EXHIBIT B

Instrument of Adherence

Reference is hereby made to that certain Registration Rights Agreement, dated as of _____, 200__, among Anpath Group, Inc. a Delaware corporation (the "**Company**") and the Investors signatory thereto, as such agreement may be amended from time to time (the "**Registration Rights Agreement**"). Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Registration Rights Agreement.

The undersigned, in order to become the owner or holder of Notes in the aggregate principal amount of [$_____] convertible into [_____] Conversion Shares and/ or a Warrant or Warrants to purchase [_____] Warrant Shares, hereby agrees that, from and after the date hereof, the undersigned has become a party to the Registration Rights Agreement pursuant to Section 13 of the Registration Rights Agreement and is entitled to all of the benefits under, and is subject to all of the obligations, restrictions and limitations set forth in, the Registration Rights Agreement that are applicable to Investors. This Instrument of Adherence shall take effect and shall become a part of the Registration Rights Agreement immediately upon execution.

Executed as of the date set forth below under the laws of the State of New York.

Signature:_____
Name:
Title:

Accepted:
[_____]

By:_____
Name:
Title:

Date:_____, 20__

Exhibit 21.1

Subsidiaries of Registrant

Name	Jurisdiction
EnviroSystems Holdings, Inc.	Delaware
EnviroSystems, Inc.*	Nevada

* A wholly owned subsidiary of EnviroSystems Holdings, Inc.

EXHIBIT 31.1

Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer

I, J. Lloyd Breedlove, certify that:

1. I have reviewed this annual report on Form 10K of Anpath Group, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a)
   Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b)
   Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c)
   Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d)
   Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a)
   All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b)
   Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 10, 2009

By: /s/ J. Lloyd Breedlove
J. Lloyd Breedlove
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer

I, Stephen Hoelscher, certify that:

1. I have reviewed this annual report on Form 10K of Anpath Group, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a)
   Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b)
   Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c)
   Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d)
   Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a)
   All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b)
   Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 10, 2009

By: /s/ Stephen Hoelscher
Stephen Hoelscher
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Anpath Group, Inc. (the "Company") on Form 10K for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned J. Lloyd Breedlove, Chief Executive Officer of the Company and Stephen Hoelscher, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his knowledge that:

(a) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: July 10, 2009

By: /s/ J. Lloyd Breedlove
Name: J. Lloyd Breedlove
Title: Chief Executive Officer
(Principal Executive Officer)

Date: July 10, 2009

By: /s/ Stephen Hoelscher
Name: Stephen Hoelscher
Title: Chief Financial Officer
(Principal Financial Officer)

This certification will not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.