OMNI MEDICAL HOLDINGS INC
Form 10KSB
July 14, 2005

U. S. Securities and Exchange Commission
Washington, D. C. 20549

FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2005

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________ to ____________

Commission File No. 000-26177

OMNI MEDICAL HOLDINGS, INC.
(Name of Small Business Issuer in its Charter)

UTAH	87-0425275
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)

1107 Mt. Rushmore Road, Suite 2
Rapid City, South Dakota 57701

(Address of Principal Executive Offices)

Registrant's Telephone Number: (605) 718-0380

N/A
(Former Name or Former Address, if changed since last Report)

Securities Registered under Section 12(b) of the Exchange Act: None
Name of Each Exchange on Which Registered: None
Securities Registered under Section 12(g) of the Exchange Act:

$0.001 par value common stock

Check whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes X No ___ (2) Yes X No ___

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this Form, and no disclosure will be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State Registrant's revenues for its most recent fiscal year: March 31, 2005 - $1,755,986.

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days.

July 13, 2005 - $2,932,602.60. There are approximately 24,438,355 shares of common voting stock of the Registrant beneficially owned by non-affiliates. These computations are based upon the bid price for the common stock of the Registrant on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. (the "NASD") on July 13, 2005, or $0.12 per share.

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Not Applicable.

Check whether the Registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes __ No ___

(APPLICABLE ONLY TO CORPORATE ISSUERS)

State the number of shares outstanding of each of the Registrant's classes of common equity, as of the latest practicable date:

July 13, 2005

44,249,898

DOCUMENTS INCORPORATED BY REFERENCE

A description of "Documents Incorporated by Reference" is contained in Part III, Item I.

Transitional Small Business Issuer Format Yes X No ___

PART I

Item 1. Description of Business.

Business Development.

Effective May 30, 2003, Omni Medical Holdings, Inc. ("Omni Medical Holdings," "Omni," "OMH," the "Company" or "we," "our," "us" and words of similar import), through our wholly-owned subsidiary, Omni Medical Services, Inc.("OMS"), completed an Asset Purchase Agreement with Medical Billing Management, Inc. ("MBM"), a corporation based in Mississippi and a provider of medical billing and collection services to medical practitioners. The aggregate purchase price was $450,000, including $150,000 paid at closing, $75,000 payable on November 30, 2003 (that was paid in February 2004) and $225,000 payable on May 31, 2004. The May 31, 2004 payment was subject to an adjustment which is to be calculated based on a multiple of the amount by which revenues for the year ending May 31, 2004 are more or less than a baseline amount. The adjustment will be recorded as an adjustment to the acquisition cost of MBM. For more information regarding this Agreement, see our 8-K Current Report filed with the Securities and Exchange Commission on May 10, 2004.

On May 10, 2004, our Board of Directors resolved to dismiss Gelfand, Hochstadt Pangburn, P.C., as our principal independent accountant and to retain Mantyla McReynolds, Certified Public Accountants, of Salt Lake City, Utah, as our new principal independent accountant, and to audit our financial statements for the fiscal year ended March 31, 2004. See Part III, Item 13, for reference to our 8-K Current Report respecting this action that was filed with the Securities and Exchange Commission on May 13, 2004.

Effective March 1, 2005, we acquired a majority interest in DataFuzion, Inc. ("DataFuzion") in an exchange for shares of our common stock. The transaction involved the exchange of 23,019,215 of our shares for 100% (approximately 36,000,000 shares) of the DataFuzion shares. There were no relationships between any affiliates, officers, directors or the shareholders of either of these companies in this transaction. It is our intent to acquire 100% of the DataFuzion shares over the next 60 days. Assuming all shares are acquired in exchange for our shares, our total outstanding shares will be approximately 46,038,430. Audited financial statements for DataFuzion were anticipated to be filed with the Securities and Exchange Commission within the required 75 day period under Form 8-K; however, they were timely and are included in this Annual Report under Item 7. For additional information regarding this transaction, see our 8-K Current Report filed with the Securities and Exchange Commission on March 4, 2005.

Business.

The company provides a turn key back office suite of products and services to healthcare practitioners and facilities throughout the United States. Omni is engaged in providing transcription, billing and collection services in addition to practice management, electronic medical records and other information technology products.

Principal Products or Services and their Markets.

Omni's DataFuzion subsidiary provides a complete line of integrated back-office products including GE Centricity and Misys practice management and electronic medical records solutions, and a proprietary web based decision support reporting tools for physicians and hospitals (InfoBridgeTM) . Our ASP hosted products are designed to maximize practice performance by identifying revenue enhancement and cost savings opportunities, while eliminating the upfront costs and ongoing expense of owning, upgrading, staffing and maintaining multiple in-house operations and reporting systems.

When practitioners provide patient care, those actions must be documented, usually by electronic dictation. Government and insurance regulations are such that these important medical records, which effect patient health, must be in readable form. Through our transcription division, this service can be delivered to any practitioner in the world through our proprietary digital web based system. Transcription has become an important and essential service in all healthcare practices. According to a trade association, medical transcription is a fragmented $15 billion industry, with transcription expenses projected to approach $25 billion over the next five years. All of our services are performed in the United States.

Medical billing and collections are the lifeblood of any healthcare facility, with accurate and timely collections insuring an effective practice and high standard of care. The billing process is automated through either of Omni's Centricity or Misys based hubs. Our nearly twenty years of experience extends to most medical areas, especially anesthesiology. As for billing and collections, it is estimated that the outsourced market for these services could currently total as much as $50 billion annually and grow to $75 billion in five years. Like transcription, billing continues to remain a fragmented market that lends itself to consolidation over the next five years.

Medical service companies are highly fragmented, so we believe this industry lends itself to a systematic consolidation strategy. Along with a disciplined sales approach, this combination can be a very successful growth strategy in this fragmented marketplace.

There is a great need in the medical industry to upgrade or embrace a technology infrastructure so as to operate in a more efficient manner. Over the next ten years, healthcare practitioners of all sizes will actively utilize IT advances and integrate them into their regular practice usage. While there are no industry figures available, DataFuzion estimates a direct potential of over $2.5 billion for its products each year.

According to government studies, the medical industry is growing at a rate of 8% annually, with estimates as high as 12% in the coming years. The need for medical services by healthcare providers is expected to at least mirror that growth rate. It is widely known that an increasingly aging population, along with a country that will spare no expense for personal consumption of medical care, will contribute to this growth. Healthcare providers will continue to remain under pressure to reduce operating expense and expand margins, forcing practices to find more efficient ways to operate and deliver their services. This outsourcing trend allows the health care provider to focus time and resources on providing health care, giving the opportunity for growth potential to medical service providers like Omni.

Distribution Methods of the Products or Services.

The finished product (e.g., transcribed lines) is distributed digitally through electronic transmission to the client. Medical billings are either mailed or sent electronically first to the insurance companies. The patient is then billed for any difference that was not received from their insurance company. Insurance company and patient payments are remitted to a banking institution lockbox designated under the doctor's name or healthcare facility. Collections activities involve following up with either the insurance companies or patient for any payment not yet received within a designated amount of time.

Status of any Publicly Announced New Product or Service.

None; not applicable.

Competitive Business Conditions.

Healthcare services (e.g., transcription, billing, collections) is a highly fragmented industry. Two of our largest competitors are Medquist, Inc. ("MEDQ") and IDX Systems Corporation ("IDXC"), both of which are large and well funded publicly traded companies, with substantially more assets and resources that Omni. The primary competition comes from the healthcare facility itself. Due to the overhead expense of providing these services internally, more healthcare facilities will be looking to outsource these duties to reduce costs.

Transcription has become an important and essential service in all healthcare practices. According to the "MTIA" (a transcription trade association), medical transcription is a fragmented $15 billion industry, with revenues projected to approach $25 billion over the next five years.

Medical billing and collections are the lifeblood of any healthcare facility. Accurate and timely collections ensure an efficient practice and high standard of care. Although no industry figures are available, it is known that approximately $1.5 trillion was spent on health care in the United States last year. Assuming that half of that amount occurred at the point of care, that would be a potential billing market of $750 billion. Health care providers that use billing services generally pay between 6-10% of the amount collected on their behalf. This would put the potential estimated revenue for billing services somewhere between $45-75 billion, and growing at a rate of 8% annually. With the rising cost of health care and an aging population, in five years the market could well be generating over $100 billion in annual revenue. Within the billing industry, there are generally no subcontractors, and all work from the corporate office.

According to United State Government studies, the medical industry is growing at a rate of 8% annually, with estimates as high as 12% in the coming years. The need for medical services by healthcare providers will continue to mirror that growth rate. It is widely known that an increasingly aging population, along with a country that will spare no expense for personal consumption of medical care, will contribute to this growth. Healthcare providers will also remain under pressure to reduce operating expense and expand margins. The effect is that services currently provided internally will now be more readily outsourced. The outsourcing trend allows the health care provider to focus time and resources on providing health care, giving the opportunity for growth potential to medical service providers like Omni.

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

None; not applicable.

Dependence on One or a Few Major Customers.

At March 31, 2005, one customer accounted for 11% of accounts receivable. During the years ended March 31, 2005 and 2004 two customers accounted for 28% and 35% of sales, respectively.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts.

DataFuzion has developed, InfoBridge , a proven system that allows healthcare enterprises of all sizes to focus on reports that can help increase revenue, decrease administrative costs, improve accuracy of A/R data and collections, and reconcile payor reimbursements. InfoBridge utilizes a process which easily and instantly consolidates and standardizes disparate data from all systems and locations into a single reporting format. Reports are then published to the internet and are available to only viewers who possess passwords for secure access.

Need for any Governmental Approval of Principal Products or Services.

Government regulations concerning the privacy of patient's health records are being phased in at this time. Known as "HIPPA," the effects of these regulations have been for all healthcare providers and vendors to upgrade both security and technology of patient records. For Omni as a vendor, we are compliant with HIPPA regulations, and we believe these regulations will only encourage healthcare providers to outsource more medical services.

Effect of Existing or Probable Governmental Regulations on Business.

Sarbanes-Oxley Act.

On July 30, 2002, President Bush signed into law the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). The Sarbanes-Oxley Act imposes a wide variety of new regulatory requirements on publicly-held companies and their insiders. Many of these requirements will affect us. For example:

*our chief executive officer and chief financial officer must now certify the accuracy of all of our periodic reports that contain financial statements;

*our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures; and

*we may not make any loan to any director or executive officer and we may not materially modify any existing loans.

The Sarbanes-Oxley Act has required us to review our current procedures and policies to determine whether they comply with the Sarbanes-Oxley Act and the new regulations promulgated thereunder. We will continue to monitor our compliance with all future regulations that are adopted under the Sarbanes-Oxley Act and will take whatever actions are necessary to ensure that we are in compliance.

Small Business Issuer.

The integrated disclosure system for small business issuers adopted by the Securities and Exchange Commission in Release No. 34-30968 and effective as of August 13, 1992, substantially modified the information and financial requirements of a "Small Business Issuer," defined to be an issuer that has revenues of less than $25 million; is a U.S. or Canadian issuer; is not an investment company; and if a majority-owned subsidiary, the parent is also a small business issuer; provided, however, an entity is not a small business issuer if it has a public float (the aggregate market value of the issuer's outstanding securities held by non-affiliates) of $25 million or more.

The Securities and Exchange Commission, state securities commissions and the North American Securities Administrators Association, Inc. ("NASAA") have expressed an interest in adopting policies that will streamline the registration process and make it easier for a small business issuer to have access to the public capital markets.

We are deemed to be a "small business issuer," and we have selected to comply with the "small business issuer" disclosure requirements of Regulation SB of the Securities and Exchange Commission.

Reporting Obligations.

Section 14(a) of the Exchange Act requires all companies with securities registered pursuant to Section 12(g) of the Exchange Act to comply with the rules and regulations of the Securities and Exchange Commission regarding proxy solicitations, as outlined in Regulation 14A. Matters submitted to stockholders of our Company at a special or annual meeting thereof or pursuant to a written consent will require our Company to provide our stockholders with the information outlined in Schedules 14A or 14C of Regulation 14; preliminary copies of this information must be submitted to the Securities and Exchange Commission at least 10 days prior to the date that definitive copies of this information are forwarded to our stockholders.

We are also required to file annual reports on Form 10-KSB and quarterly reports on Form 10-QSB with the Securities Exchange Commission on a regular basis, and will be required to timely disclose certain material events (e.g., changes in corporate control; acquisitions or dispositions of a significant amount of assets other than in the ordinary course of business; and bankruptcy) in a current report on Form 8-K.

"Penny Stock" Designation.

Our common stock is "penny stock" as defined in Rule 3a51-1 of the Securities and Exchange Commission. Penny stocks are stocks:

* with a price of less than five dollars per share;

* that are not traded on a "recognized" national exchange;

* whose prices are not quoted on the NASDAQ automated quotation system; or

* in issuers with net tangible assets less than $2,000,000, if the issuer has been in continuous operation for at least three years, or $5,000,000, if in continuous operation for less than three years, or with average revenues of less than $6,000,000 for the last three years.

Section 15(g) of the Exchange Act and Rule 15g-2 of the Securities and Exchange Commission require broker/dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before making any transaction in a penny stock for the investor's account. You are urged to obtain and read this disclosure carefully before purchasing any of our shares.

Rule 15g-9 of the Securities and Exchange Commission requires broker/dealers in penny stocks to approve the account of any investor for transactions in these stocks before selling any penny stock to that investor. This procedure requires the broker/dealer to:

* get information about the investor's financial situation, investment experience and investment goals;

* reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor can evaluate the risks of penny stock transactions;

* provide the investor with a written statement setting forth the basis on which the broker/dealer made his or her determination; and

* receive a signed and dated copy of the statement from the investor, confirming that it accurately reflects the investor' financial situation, investment experience and investment goals.

Compliance with these requirements may make it harder for our stockholders to resell their shares.

Research and Development.

None; not applicable.

Cost and Effects of Compliance with Environmental Laws.

None; not applicable.

Number of Employees.

Our Company currently employs 75 full-time employees.

Item 2. Description of Property.

Omni has an interest in four parcels of real property: 1609 West Street, Montgomery, Alabama, that it is purchasing; 1867 Crane Ridge Drive, Suite #250-A, Jackson, Mississippi, 1107 Mt. Rushmore Road, Suite 2, Rapid City, South Dakota, and 2120 West Littleton, Littleton, Colorado, which are leased.

Item 3. Legal Proceedings.

To the knowledge of our management, no director or executive officer is party to any action in which any has an interest adverse to us.

An action has been brought by holders of promissory notes issued by our Company's majority-owned subsidiary, DataFuzion, Inc. for enforcement of the notes and possession of substantially all assets of DataFuzion which are alleged to secure payment of the notes. Plaintiffs filed a motion for possession of the assets, which was denied by the court. DataFuzion does not dispute the execution or delivery of the notes and has recorded the notes in these financial statements. In addition, DataFuzion has some claims against some of the Plaintiffs which may give rise to offsets or counterclaims against some(but in all likelihood, not all) of the Plaintiffs. Those claims have not yet been pled or fully factually explored. The current status of this matter is that the Plaintiffs have filed a Motion for Summary Judgement, seeking judgment for the notes balances(without enforcement of their claimed security interest). DataFuzion has sought and obtained an extension of time to respond to this Motion, and has initiated settlement discussions with Plaintiffs. Those settlement negotiations are ongoing.

Three former employees of DataFuzion have also brought action against the Company seeking back pay in total of approximately $60,000. DataFuzion disputes the claims but has offered settlement of approximately $12,000, which has been rejected. Discovery is ongoing and a settlement conference is scheduled for August 2005.

Two shareholders of the DataFuzion have brought action against DataFuzion for royalties due them related to new sales of DataFuzion's "Infobridge" software. DataFuzion disputes the amounts owed and has entered into settlement negotiations with the shareholders.

Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted to our shareholders during the last quarter of our current fiscal year.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities.

Market Information.

There has never been any "established trading market" for our shares of common stock. Our common stock is presently quoted on the OTC Bulletin Board of the NASD under the symbol "ONMH" as reflected below. No assurance can be given that any market for our common stock will develop in the future or be maintained. If an "established trading market" ever develops in the future, the sale of "restricted securities" (common stock) pursuant to Rule 144 of the Securities and Exchange Commission by members of management or others may have a substantial adverse impact on any such market.

The range of high and low bid quotations for our common stock during each quarter for the last year, are shown below. Prices are inter-dealer quotations as reported by the NQB, LLC, and do not necessarily reflect transactions, retail markups, mark downs or commissions.

Stock Quotations

Quarter Ended	High	Low
April 1, 2004 through June 30, 2004	$0.90	$0.17
July 1, 2004 through September 30, 2004	$0.51	$0.22
October 1, 2004 through December 31, 2004	$0.26	$0.15
January 1, 2005 through March 31, 2005	$0.20	$0.12

Recent Sales of Unregistered Securities.

Sale of Common Stock	Shares	Consideration
Private placement	627,953	$15,000
Shares issued for Investment in Langley Trust	4,400,000	$507,454
Acquisition of DataFuzion, Inc. on March 1, 2005	22,125,305	$2,212,531
Issuance of common stock for services	1,881,000	$188,100
Issuance of common stock to		

relieve debt	650,000	$142,500

Holders.

As of July 13, 2005, there were 44,249,898 shares of our common stock outstanding and approximately 413 stockholders of record.

Dividends.

We have not paid any cash dividends since our inception and do not anticipate or contemplate paying dividends in the foreseeable future. It is the present intention of our management to utilize all available funds for the development of our business.

Securities Authorized For Issuance under Equity Compensation Plans.

We do not have any Equity Compensation Plans presently in place.

Use of Proceeds From the Sale of Registered Securities.

None.

Purchases of Equity Securities.

None.

Item 6. Management's Discussion and Analysis or Plan of Operation.

"SAFE HARBOR" STATEMENT UNDER THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995.

This Form 10-KSB contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Omni Medical Holdings, Inc. is referred to herein as "we" or "our". The words or phrases "would be," "will allow," "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected in the forward looking statements as a result of a number of risks and uncertainties. Statements made herein are as of the date of the filing of this Form 10-KSB with the Securities and Exchange Commission and should not be relied upon as of any subsequent date. Except as may otherwise be required by applicable law, we do not undertake, and specifically disclaim, any obligation to update any forward-looking statements contained in this Form 10-KSB to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement.

Results of Operations.

The year ended March 31, 2005.

During the year ended March 31, 2005, we recorded revenue of $1,755,986, as compared to revenue of $1,181,146 in the year ended March 31, 2004.

This increase was principally due to the creation of new accounts, the acquisition of DataFuzion and McCoy Business Services. Cost of sales also rose significantly to $1,158,847 in the current year, from $748,710 in the fiscal year ended March 31, 2004. This increase is principally the result of consulting expenses, acquisition costs with respect to DataFuzion and an increase in the number of employees. There was also a significant accounting change, creating an additional charge off, that we believe more conservatively and consistantly recognizes revenue for all our subsidiary companies.

During the fiscal year end of 2005, we recorded general and administrative expenses of $1,335,432. These expenses totaled $916,631 in the year-ago period. This increase is primarily due to the increase in our employees.

Interest expense was $83,541 and $37,298 for the year ended March 31, 2005, and March 31, 2004, respectively.

For the year ended March 31, 2005, we incurred a loss from continuing operations of $925,741, as compared to a loss of $521,493 for the year ended March 31, 2004.

Capital Resource Requirements.

Liquidity.

As of March 31, 2005, our working capital deficit was $4,449,589. Our cash at March 31, 2005 was $14,849.

We currently have a commitment under an Employment Agreement with one of the former owners of McCoy Business Services through November 30, 2005, guaranteeing annual compensation of $30,000 plus a performance based bonus. We currently lease office space under operating leases for approximately $16,000 per month, which terminate through 2010.

Effective March 1, 2005, Omni entered into an Employment Agreement with Arthur D. Lyons, its chief executive officer and Douglas Davis, President through March 1, 2010. The agreement provides compensation at an annual base salary of $180,000, a $1,000 a month auto allowance, fully paid health insurance and a bonus of 1% of gross revenue, paid quarterly to each.

During December 2003, we entered into a Loan Agreement and Security Agreement with Presidential Financial Corporation allowing us to borrow up to 80% of our accounts receivable or $300,000, whichever is less. The loan is secured by our accounts receivable and other tangible assets and accrues interest at prime plus 2%. As of March 31, 2005, $163,453 was owed on the line of credit.

Through our April 15, 2005, acquisition of Plum Creek Outpatient and administrative services agreement with Stat Anesthesia, P.C., We believe that we have already acquired significant assets and adequate liquid assets for operation. Net collectable accounts receivable acquired is estimated to be in excess of $1.4 million with no long term debt. Furthermore, we believe those companies will provide significant cash flow to provide for all corporate needs. We also plan to raise additional capital and is working with a number of financial sources to achieve this.

Item 7. Financial Statements.

Omni Medical Holdings, Inc.

Report of Independent Registered Public Accounting Firm
and
Consolidated Financial Statements

March 31, 2005

Omni Medical Holdings, Inc.

TABLE OF CONTENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Omni Medical Holdings, Inc.

We have audited the accompanying consolidated balance sheet of Omni Medical Holdings Inc. as of March 31, 2005 and the related consolidated statements of operations, stockholders' equity, and cash flows for the years ended March 31, 2005 and 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an 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 audit 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 also 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Omni Medical

Holdings, Inc., and subsidiaries as of March 31, 2005 and the results of operations and cash flows for the years ended March 31, 2005 and 2004, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that Omni Medical Holdings, Inc. will continue as a going concern. As discussed in Note 12 to the financial statements, the Company has accumulated losses from operations and a deficit in working capital. These issues 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 12. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

/s/ Mantyla McReynolds
Mantyla McReynolds
Salt Lake City, Utah
May 6, 2005

Omni Medical Holdings, Inc.
Consolidated Balance Sheet
March 31, 2005

ASSETS

Current assets:	
Cash and cash equivalents	$ 14,849
Accounts receivable, net, including unbilled amounts of approximately $25,186-Note 1	408,784
Short-term investments, at fair value-Note 1	140,545
Employee advances	5,317
Prepaid expenses	77,326
Total current assets	646,821
Property & equipment, net-Notes 1& 5	1,694,230
Other assets:	
Deposits	7,763
Deferred financing costs-Note 14	25,000
Goodwill-Note 1	3,493,245
Intangible assets, net-Notes 1 & 6	1,847,103
Total other assets	5,373,111
TOTAL ASSETS	$7,714,162

See accompanying notes to financial statements

Omni Medical Holdings, Inc.
Consolidated Balance Sheet [continued]
March 31, 2005

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Accounts payable	$ 338,780
Accrued expenses	1,539,609

Line of credit- Note 8	163,453
Current portion of long-term debt-Note 9	3,054,568
Total current liabilities	5,096,410
Convertible debt-Note 9	1,265,582
Notes payable-Note 9	2,668,553
Current portion of long-term debt-Note 9	(3,054,568)
Total long-term liabilities	879,567
Total liabilities	5,975,977
Minority interest-Note 3	(150,243)
Stockholders' equity:-Note 7	
Preferred stock, no par value, 1,000,000 shares authorized, no shares issued and outstanding	-
Common stock, par value $0.001 per share; 50,000,000 shares authorized; 44,944,445 issued and outstanding	44,944
Common stock to be issued under reorganization agreement 474,659 shares	475
Capital in excess of par value	5,009,899
Unrealized loss on investments	(138,428)
Accumulated deficit	(3,028,462)
Total stockholders' equity	1,888,428
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 7,714,162

See accompanying notes to financial statements

Omni Medical Holdings, Inc.
Consolidated Statements of Operations
For the years ended March 31, 2005 and 2004

	2005	2004
Revenue	$ 1,755,986	$ 1,181,146
Cost of sales	1,158,847	748,710
Gross operating profit	597,139	432,436
General and administrative expenses	1,335,432	916,631
Income (loss) from operations	(738,293)	(484,195)
Other income (expense):		
Interest expense	(83,541)	(37,298)
Loss on sale of assets	(21,878)	-
Realized loss on sale of investments	(98,003)	-
Total other income (expense)	(203,422)	(37,298)
Loss from continuing operations before minority interest	(941,715)	(521,493)
Minority interest	15,974	-
Loss from continuing operations before income tax	(925,741)	(521,493)
Provision for income taxes	-	-
Net loss before discontinued operations	(925,741)	(521,493)
Loss from discontinued operations, net of taxes- Note 4	-	(33,736)

Net loss before cumulative effect of a change in accounting principle	(925,741)	(555,229)
Cumulative effect on prior years of change in accounting principle-Note 2	(214,926)	-
Net loss	$ (1,140,667)	$ (555,229)
Loss per share basic and diluted:		
Continuing operations	$ (0.05)	$ (0.04)
Discontinued operations	$ 0.00	$ 0.00
Cumulative effect of a change in accounting principle	$ (0.01)	$ 0.00
Net loss per share-basic and diluted	$ (0.06)	$ (0.04)
Weighted average number of common shares outstanding-basic and diluted	20,258,947	14,708,706
Pro forma amounts assuming the new revenue recognition policy is applied retroactively:		
Net loss	(925,741)	(770,155)
Net loss per share-basic and diluted	$ (0.05)	$ (0.05)

See accompanying notes to financial statements

Omni Medical Holdings, Inc.
Consolidated Statements of Stockholders' Equity
For the Years Ended March 31, 2005 and 2004

	Shares Issued	Common Stock	Common stock to be issued	Additional Paid in Capital
Balance, March 31, 2003	20,620,247	20,620	-	1,564,299
Disposition of subsidiary	(7,795,520)	(7,795)		31,720
Sale of common stock pursuant to private placements	92,216	92		44,908
Repurchase of dissenter's common stock	(9,222)	(9)		(111)
Acquisition of Piezo on September 5, 2003	2,000,000	1,525	475	(17,091)
Sale of common stock pursuant to stock purchase agreement	577,125	577		224,673
Sale of common stock pursuant to private placement	235,000	235		120,765
Issuance of common stock for services	15,000	15		4,485

Earned compensation expense				
Net loss for year ended March 31, 2004				
	-----------	-------	-------	----------
Balance, March 31, 2004	15,734,846	15,260	475	1,973,648
Sale of common stock pursuant to private placement	627,953	628		14,722
Shares issued for Investment in Langley Trust	4,400,000	4,400		503,054
Acquisition of DataFuzion, Inc. on March 1, 2005	22,125,305	22,125		2,190,406
Issuance of common stock for services	1,881,000	1,881		186,219
Issuance of common stock to relieve debt	650,000	650		141,850
Earned compensation expense				
Comprehensive income:				
Unrealized loss on investments				
Net loss for the year ended March 31, 2005				
	-----------	-------	-------	-----------
Balance, March 31, 2005	45,419,104	$44,944	$ 475	$ 5,009,899

[CONTINUED]

Omni Medical Holdings, Inc.
Consolidated Statements of Stockholders' Equity
For the Years Ended March 31, 2004 and 2003

	Deferred Compen-sation Expense	Unrealized loss on Investments	Accumulated Deficit	Advance Receivable Shareholder	Total Stockholders' Equity (Deficit)
Balance, March 31, 2003	$(41,111)	$ -	$(1,332,566)	$ (24,708)	$ 186,534
Disposition of subsidiary				24,708	48,633
Sale of common stock pursuant to private placements					45,000
Repurchase of dissenter's common stock					(120)
Acquisition of Piezo on September 5, 2003	(8,793)				(23,884)
Sale of common stock pursuant to stock purchase agreement					225,250

Sale of common stock pursuant to private placement					121,000
Issuance of common stock for services					4,500
Earned compensation expense	42,562				42,562
Net loss for year ended March 31, 2004			(555,229)		(555,229)
Balance, March 31, 2004	(7,342)	-	(1,887,795)	$ -	$ 94,246
Sale of common stock pursuant to private placement					15,350
Shares issued for Investment in Langley Trust					507,454
Acquisition of DataFuzion, Inc. on March 1, 2005					2,212,531
Issuance of common stock for services					188,100
Issuance of common stock to relieve debt					142,500
Earned compensation expense	7,342				7,342
Comprehensive income:					
Unrealized loss on investments		(138,428)			(138,428)
Net loss for the year ended March 31, 2005			(1,140,667)		(1,140,667)
Total Comprehensive Income					(1,279,095)
Balance, March 31, 2005	$ 0	$(138,428)	$(3,028,462)	$ -	$1,888,428

See accompanying notes to financial statements

F-5

Omni Medical Holdings, Inc.
Consolidated Statements of Cash Flows
For the years ended March 31, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from continuing operations	$(1,140,667)	$ (521,493)
Loss from discontinued operations	-	(33,736)
Adjustments to reconcile net loss to net cash used in continuing operations:		
Depreciation and amortization	255,224	116,680

Stock-based compensation expense	7,342	33,769
Stock issued for services	131,375	4,500
Loss on sale of assets	21,878	-
Realized loss on investments	98,003	-
Minority interest	(15,974)	
Cumulative effect of change in accounting principle	214,926	-
Changes in operating assets and liabilities, net of effect of business acquisition and disposition:		
Accounts receivable	(76,084)	(298,074)
Employee advances	(1,382)	(3,935)
Prepaid expenses	2,668	(3,834)
Inventories disposed of with subsidiary		400,888
Deposits	(348)	(380)
Accounts payable	31,895	(103,931)
Accrued expenses	214,267	225,741
Net cash used in operating activities	(256,877)	(183,805)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(9,018)	(15,649)
Proceeds from the sale of assets	1,021	-
Proceeds from sale of investments	130,478	-
Software development	(32,335)	
Payment for disposition of subsidiary, net	-	(36,000)
Payments for purchase of businesses	-	(475,094)
Net cash provided by (used in) investing activities	90,146	(526,743)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of dissenter's common stock	-	(120)
Deferred financing costs	-	(25,000)
Borrowings on line of credit	118,497	44,956
Proceeds from issuance of debt	86,600	75,000
Payments of notes payable	(49,215)	(27,361)
Proceeds from the issuance of common stock	15,350	391,250
Net cash provided by financing activities	171,232	458,725
NET INCREASE (DECREASE) IN CASH	4,501	(251,823)
CASH AT BEGINNING OF YEAR	6,140	257,963
CASH ACQUIRED IN DATAFUZION ACQUISITION	4,208	-
CASH AT END OF YEAR	$ 14,849	$ 6,140

See accompanying notes to financial statements

Omni Medical Holdings, Inc.
Consolidated Statements of Cash Flows [continued]
For the years ended March 31, 2005 and 2004

	2005	2004
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest in continuing operations	$ 19,089	$ 37,298
Cash paid for interest in discontinued operations	-	1,402

Cash paid for income taxes	-	-
SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING ACTIVITIES:		
Stock issued as prepaid expenses	$ 56,725	$ 0
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Stock issued for short-term investments	$ 507,454	$ 0
Stock issued to relinquish debt	$ 142,500	$ 0
BUSINESS ACQUISITIONS:		
Fair value of assets acquired	$ 6,764,378	$ 795,968
Issuance of debt/assumption of liabilities	(4,551,847)	(320,874)
Common stock issued at acquisition	(2,212,531)	0
Cash paid	$ 0	$ 475,094

See accompanying notes to financial statements

Omni Medical Holdings, Inc.
Notes to Consolidated Financial Statements
March 31, 2005

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business - Omni Medical Holdings, Inc. ("Omni"), a Utah corporation, provides medical billing and transcription services, and electronic medical record solutions to medical practitioners.

Organization- The company was previously organized as Piezo Instruments, Inc. ("Piezo"), a Utah corporation. Effective September 5, 2003, Piezo and Omni Medical of Nevada, Inc., a Nevada Corporation ("Omni Nevada") executed an Agreement and Plan of Reorganization (the "Reorganization Agreement"), whereby Piezo agreed to acquire 100% of the issued and outstanding shares of common stock of Omni Nevada in exchange for up to 16,000,000 newly issued shares of common stock of Piezo, (of which 12,913,815 were issued as of March 31, 2004, 480,753 shares were issued in July 2004 and 474,659 shares are to be issued as of March 31, 2005 for a total of 13,869,227 shares,) or approximately 86% of the post-Reorganization Agreement outstanding securities of Piezo. The transaction was accounted for as a reverse acquisition of Piezo by Omni Nevada. Shares of common stock authorized and issued have been retroactively restated to present the capital structure of Piezo. Concurrent with the merger, Piezo changed its name to Omni Medical Holdings, Inc.

Principles of consolidation-The accompanying consolidated financial statements include the accounts of Omni Medical Holdings, Inc., its wholly owned subsidiary, Omni Medical Services, Inc. and its majority owned subsidiaries, Omni Medical of Nevada, Inc and DataFuzion, Inc. All significant intercompany balances and transactions are eliminated.

Cash and cash equivalents- The Company considers all highly liquid investments with original maturities at the date of purchase of three months or less to be cash equivalents.

Revenue recognition- The Company recognizes revenue according to Staff Accounting Bulletin 104, Revenue Recognition which clarifies U.S. generally accepted accounting principles for revenue transactions. The Company recognizes revenue from medical billing, medical transcription services and from data hosting services. Fees for the medical billing services are primarily based on a percentage of net collections on our clients' accounts receivable. The Company recognizes revenue and bills its customers for these services when the customers receive payment on

those accounts receivable. Revenues on the medical transcription and data hosting services are recognized monthly as services are performed for our clients.

Use of estimates in preparation of financial statements- The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Bad debt and allowance for doubtful accounts- The allowance for doubtful accounts is maintained at a level sufficient to provide for estimated credit losses based on evaluating known and inherent risks in the receivables portfolio. The Company provides an allowance for doubtful accounts which, based upon management's evaluation of numerous factors, including economic conditions, a predictive analysis of the outcome of the current portfolio and prior credit loss experience, is deemed adequate to cover reasonably expected losses inherent in outstanding receivables. The allowance at March 31, 2005 is $10,239.

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES[continued]

Concentrations of credit risk-The Company grants credit to its customers, generally without collateral. At March 31, 2005, one customer accounted for 11% of accounts receivable. During the years ended March 31, 2005 and 2004 two customers accounted for 28% and 35% of sales, respectively.

Property and equipment- Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to expense as incurred. The following is a summary of the estimated useful lives and depreciation methods used in computing depreciation expense:

Asset	Depreciation Method	Estimated useful life
Computer Equipment	Straight-line	3-5 years
Office Equipment	Straight-line	5-7 years
Furniture & Fixtures	Straight-line	7 years
Computer Software	Straight-line	3 years
Leasehold improvements	Straight-line	7 years
Equipment - Manufacturing	Straight-line	7 years

Building & Land - Alabama	Straight-line	25 years

Goodwill and intangible assets-The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 142 "Goodwill and Other Intangible Assets". SFAS No. 142 addresses the accounting and reporting for acquired goodwill and other intangible assets. The Company's goodwill consists $3,420,945 applicable to the DataFuzion, Inc. acquisition in March 2005, $36,000 applicable to the A&V medical transcription acquisition in July 2002 and $36,300 applicable to the Medical Billing Management purchase in May 2003. The Company continually tests goodwill for impairment and recognizes a loss when the carrying value exceeds the fair value. The Company has recorded no impairment charges for the years ended March 31, 2005 and 2004.The intangible asset consists of software development and a trademark acquired in the acquisition of DataFuzion, Inc., customer lists acquired in the acquisitions of A&V, Medical Billing Management and McCoy Business Services, Inc. as well as a trade name and non-compete agreements acquired in the McCoy acquisition. The intangible assets are being amortized over their useful life of between 2 and 7 years.

Software development costs include costs incurred in the development or enhancement of the "Infobridge" software. These costs are capitalized after the preliminary project stage is complete, when management with the relevant authority authorizes and commits to the funding of the project, when it is probable that the project will be completed and when the software will be used to perform the function intended. Capitalization ceases no later than the point at which the project is substantially complete and ready for its intended use. The Company expenses software development costs, as incurred during the planning and post-implementation phases of development.

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [continued]

Amortization expense for the next five years is expected to be as follows:

Year ended	
3/31/2006	$215,295
3/31/2007	181,963
3/31/2008	177,657
3/31/2009	55,785
3/31/2010	-

Income taxes- The Company complies with the provisions of Statement of Financial Accounting Standards No. 109 [the Statement], "Accounting for Income Taxes." The Statement requires an asset and liability approach for financial accounting and reporting for income taxes, and the recognition of deferred tax assets and liabilities for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled.

Net Loss Per Common share-In accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share," basic loss per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share is computed using weighted average number of common shares plus dilutive common share equivalents outstanding during the period using the treasury stock method. During the years ended March 31, 2005 and 2004 there were no common share equivalents outstanding. However, the Company's acquired subsidiary DataFuzion, Inc. has approximately 5 million common share equivalents that upon approval by the Company's Board of Directors could become convertible into the Company's common stock on a proportional basis. These shares were excluded from the computation of diluted earnings per share because the effect would have been antidilutive.

Stock based compensation-SFAS No. 123, "Accounting for Stock-Based Compensation" allows companies to choose wether to account for employee stock-based compensation on a fair-value method, or to account for such compensation under the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). The Company has chosen to account for stock-based compensation using APB 25. At March 31, 2005, the Company had no stock option plans.

Fair value of financial instruments- The carrying amounts of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate fair values due to the short maturities of these instruments. The carrying value of the Company's short-term borrowings approximates fair value based on the Company's current incremental borrowing rate for similar types of borrowing arrangements. The fair values of the company's receivables and payables to related parties are not practicable to estimate due to the related party nature of the underlying transactions and indefinite payments terms.

Derivative transactions- In the past the Company has utilized certain short-term derivative instruments, options and puts of marketable equity securities, for trading purposes. The Company accounted for these transactions at fair value, based on market quotes and cash settlements. These transactions exposed the Company to certain market and credit risks related to the underlying investment and the counter-party,

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES[continued]

respectively. The Company had no such transaction during the year ended March 31, 2005 and held no derivative instruments at March 31, 2005 and 2004.

Short-term investments-In accordance with Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" The Company has classified its investments as available for sale and records the investment at fair market value.

Recent Accounting pronouncements- On December 16, 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 123(R) Share-Based Payment, which is a revision of SFAS No. 123, Accounting for Stock-Based Compensation. SFAS No. 123 (R) supercedes Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock issued to Employees. SFAS. No. 123(R) requires all share-based payments to employees , including grants of employee stock options, to be recognized in the income statement based on their fair values. SFAS No. 123(R) must be adopted by the Company no later than July 1, 2005. The Company expects to adopt SFAS No. 123(R) on July 1, 2005. When the Company adopts SFAS No. 123(R), it may elect the modified prospective method or the modified retrospective method. The Company has not yet determined which method it will elect. The Company currently accounts for share-based payments to employees using APB Opinion No. 25 and the intrinsic value method and, as a result, generally recognizes no compensation cost for employee stock options. The impact of adoption of SFAS No. 123 (R) cannot be determined at this time because it will depend on levels of share-based payments granted in the future.

Note 2 CHANGE IN ACCOUNTING PRINCIPLE

In order to be consistent with its newly acquired subsidiary DataFuzion, Inc., the Company changed its revenue recognition policy during the year ended March 31, 2005. The change relates to the Company's medical billing services. Formerly, the Company recognized revenue from medical billing services when the service was performed for the client based on the Company's percentage of the clients estimated collections. The change allows the Company to recognize revenue based on a percentage of actual net collections on clients' accounts receivable. The impact of this change is $214,926 of revenue previously recognized in fiscal year ended March 31, 2004 being deferred to fiscal year ending March 31, 2005.

Note 3 BUSINESS ACQUISITIONS

Effective March 1, 2005, Omni, entered into a share exchange agreement ("the agreement") with DataFuzion, Inc. a Colorado corporation and provider of practice management, billing and collection services, and electronic medical records solutions to medical practitioners. The agreement calls for Omni to offer a shareholder exchange to the DataFuzion shareholders in which they may transfer to Omni at closing 100% of the outstanding common stock of DataFuzion in exchange for 23,019,215 shares of common stock of Omni. The exchange will constitute a 50% ownership of Omni for the shareholders of DataFuzion in the event all shareholders of DataFuzion agree to exchange their respective common shares. As of July 8, 2005 approximately 90% of the DataFuzion shareholders had exchanged their shares for shares of Omni and Omni had issued 21,772,966 shares of its common stock, with an additional 352,339 to be issued for a total issuance of 22,125,305 shares of common stock.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of March 1, 2005, the date of acquisition:

Note 3 BUSINESS ACQUISITIONS-[continued]

Cash	$ 4,208
Accounts receivable, net	170,300
Property and equipment	1,545,547
Intangible assets	1,462,640
Other assets	26,470
Accounts payable	(138,158)

Accrued expenses	(1,206,843)
Notes payable	(1,941,264)
Convertible debt	(1,265,582)
Minority interest	134,268
Goodwill	3,420,945
Net assets acquired	$ 2,212,531

The DataFuzion acquisition was accounted for as a purchase and their results of operations are included in the Company's financial statements from the date of acquisition.

The following proforma financial information presents results as if the DataFuzion acquisition had occurred at the beginning of the years ended March 31, 2005 and 2004:

	2005	2004
Revenues	$ 2,982,315	$ 1,493,324
Net loss	(1,770,489)	(1,135,015)
Basic and diluted loss per share	$ (0.09)	$ (0.08)

Note 4 DISCONTINUED OPERATIONS

Through May 2, 2003, Omni also produced handheld surgical instruments used by ophthalmic surgeons in refractive, corneal and LASIK surgeries and was also a developer of technology to ophthalmic surgeons, specifically within the domain of anterior segment cataract extraction, and foldable intra ocular lens placement as well as keratorefractive procedures such as LASIK. Omni operated its surgical instruments business through its wholly-owned subsidiary, Mastel Precision Surgical Instruments, Inc ("MPSI") out of its facility in Rapid City, South Dakota.

Effective May 2003, Omni entered into an agreement with one of its officers and shareholders whereby Omni agreed to exchange 100% of the common stock of MPSI and $36,000 cash for all shares of common stock of Omni owned individually or jointly by the officer and his wife. As of April 30, 2003, the assets

of MPSI had a carrying value of approximately $442,000 (primarily accounts receivable of approximately $53,000, inventories of approximately $387,000 and property and equipment of approximately $30,000) and MPSI's obligations and liabilities had a carrying value of approximately $527,000 (primarily accounts payable of approximately $226,000 and debt of approximately $286,000). Due to the related party nature of the transaction, no gain was recognized and shareholders equity was increased by $49,000. The results of operations from MPSI have been retroactively restated as discontinued operations.

Note 5 PROPERTY AND EQUIPMENT

The major categories of property and equipment are as follows:

	3/31/2005
Computer Equipment	$ 887,311
Office Equipment	97,214
Furniture & Fixtures	25,854
Computer Software	1,026,453
Equipment - Manufacturing	45,050
Building & Land - Alabama	85,000
Leasehold Improvements	18,510
Accumulated depreciation	(491,162)
Net property and equipment	1,694,230

Included in these balances are $1,010,750 of assets purchased under capital leases.

Depreciation expense was for the years ended March 31, 2005 and 2004 was $113,798 and $36,514 respectively.

Note 6 INTANGIBLE ASSETS

Intangible assets consist of the following:

Software development costs	$1,800,132
Customer lists	431,953
Non-compete agreement	100,000
Trade name	60,000
Trademark	1,270
Accumulated amortization	(546,252)
Net intangible assets	1,847,103

Amortization expense for the years ended March 31, 2005 and 2004 was $141,426 and $80,166 respectively.

Note 7 STOCKHOLDERS' EQUITY

During the year ended March 31, 2005 the Company issued 147,200 shares of its of restricted common stock to offshore investors pursuant to Regulation S, promulgated under the Securities Act of 1933, and received consideration of $15,350.

During the year ended March 31, 2005, the Company issued 1,831,000 shares of restricted common stock to various consultants for services to be performed over a term of 6 months to 2 years. Management has estimated the fair market value of the fees at $183,100, of which $131,375 have been expensed and the remaining $51,725 have been recorded as a prepaid expense to be amortized over the life of the contracts.

In June 2004, the Company issued 3,700,000 shares of common stock and placed the shares in escrow pending the completion of a loan agreement.

However, the loan agreement was never completed and on November 12, 2004 the stock certificate was cancelled.

In July 2004, the Company issued 480,753 shares of common stock pursuant to the September 5, 2003 Reorganization agreement. These shares are in addition to the original 12,913,815 shares issued during the year ended March 31, 2004. The shareholders tendered in a timely fashion according to the terms of the agreement, but had subsequently lost the certificate.

Also in July 2004, the Company entered into a Stock Purchase Agreement ("The agreement") with a London based investment company. On September 30, 2004, pursuant to the agreement, the Company exchanged 4,400,000 shares of its restricted common stock for 906,167 shares in an off-shore investment trust. On that date the investment trust shares were trading at a price equivalent to $.56 per share for a total investment of $507,454. The Company has classified the investment as available for sale and carries the investment at fair market value in accordance with Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities".

On September 7, 2004 by unanimous consent the Company's board of directors approved and authorized the exchange of 600,000 shares of the Company's common stock to the Company's President and Chief Executive Officer in return for all accrued salary and any interest or penalties in connection with the accrued salary totaling $137,500. The board also approved and authorized the issuance of 500,000 shares to a company owned by the Company's Chief Executive Officer as payment on the above loan made to the Company.

On September 28, 2004 the Company issued 50,000 to its Vice President for services. Management has estimated the fair market value of the services to be $5,000, which has been recorded as an expense in the accompanying financial statements.

Effective March 1, 2005, Omni, entered into a share exchange agreement ("the agreement") with DataFuzion, Inc. a Colorado corporation and provider of practice management, billing and collection services, and electronic medical records solutions to medical practitioners. The agreement calls for Omni to offer a shareholder exchange to the DataFuzion shareholders in which they may transfer to Omni at closing 100% of the outstanding common stock of DataFuzion in exchange for 23,019,215 shares of common stock of Omni. The exchange will constitute a 50% ownership of Omni for the shareholders of DataFuzion in the event all shareholders of DataFuzion agree to exchange their respective common shares. As of July 8, 2005 approximately 90% of the DataFuzion shareholders had exchanged their shares for shares of Omni and Omni had issued 22,125,305 shares of its common stock.

F-14

Omni Medical Holdings, Inc.
Notes to Financial Statements
March 31, 2005

Note 7 STOCKHOLDERS' EQUITY[continued]

During the year ended March 31, 2004, 327,216 shares of common stock of the Company were issued in private placements at prices ranging from $0.50 to $0.75 per share. The sale of 200,000 shares at $0.50 per share was with the wife of the Company's chief executive officer and president.

In December 2003, the Company entered into a Stock Escrow Agreement with an unrelated third party through which the Company issued 577,125 shares of restricted common stock to offshore investors pursuant to Regulation S, promulgated under the Securities Act of 1933. Pursuant to the agreement the escrow agent remitted 40 percent (40%) of the offer price or, $225,250 to the Company.

In March 2004, the Company issued 15,000 shares of restricted common stock to an individual as an exit fee related to a possible acquisition of the individuals company. Management has estimated the fair market value of the exit fee as $4,500, which has been recorded as an expense in the accompanying financial statements.

Note 8 LINE OF CREDIT

On December 19, 2003 the Company entered into a loan agreement and security agreement with Presidential Financial Corporation allowing the Company to borrow up to 80% of its accounts receivable or $300,000 whichever is less. The loan is secured by accounts receivable and other tangible assets of the Company and accrues interest at prime plus 2%. As of March 31, 2005, the Company owed $163,453 on the line of credit.

Note 9 LONG-TERM DEBT

The following is a summary of the Company's indebtedness as of March 31, 2005:

Note payable, interest at 5%, payable in a lump sum payment, originally due, May 2004, collateralized by the assets of MBM	$316,284
Note payable, interest at 5%, payable in quarterly payments of $30,000, due November 2005, collateralized by the assets of McCoy	202,867
Note payable, interest at 8%, payable in monthly installments of $1,956, due July 2009 collateralized by all of the assets of the company	86,079
Note payable, interest at 7.9%, payable in monthly installments of $590, due July 2016, collateralized by land and building	53,415
Note payable, interest at 5%, payable in monthly installments of $375, originally due September 2004, unsecured	11,314
Note payable, interest at 10%, originally payable in September 2004, unsecured	32,000
Note payable, related party, interest free, due on demand, unsecured	36,090

Note payable, interest at 10% payable in monthly payments of $92,852, due in June 2005, collateralized by equipment	541,216
Convertible debt, with interest between 10% and 12%, payable on demand, unsecured	1,265,582
Capital leases payable, with interest at between 8.45% and 34.17% , payable in monthly installments totaling $23,586, due from September 2007 to January 2010 collateralized by equipment	939,288
Note payable, imputed interest at 10%, due on demand, unsecured	450,000
Total	$3,934,135

Omni Medical Holdings, Inc.
Notes to Financial Statements
March 31, 2005

Note 9 LONG-TERM DEBT[continued]

Future minimum note payments as of March 31, 2005, are approximately as follows:

Year Ending March 31:	Amount
2006	$3,054,568
2007	241,292
2008	262,069
2009	201,748
Thereafter	174,458
	$3,934,135

Note 10 LEASES

The following is a schedule by years of future minimum lease payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of March 31, 2005:

Year ended	Total
March 31, 2006	$ 191,436
March 31, 2007	117,176
March 31, 2008	79,204
March 31, 2009	81,361
Thereafter	420
Totals	$ 469,597

Rent expense for the years ended March 31, 2005 and 2004 were $134,733 and $90,296, respectively.

Note 11 INCOME TAXES

Below is a summary of deferred tax asset calculations on net operating loss carry forward amounts. Loss carry forward amounts expire through 2024. A valuation allowance is provided when it is more likely than not that some portion of the deferred tax asset will not be realized.

Description	NOL Balance	Tax	Rate
Federal Income Tax	$2,803,536	$953,202	34%
Valuation allowance		(953,202)	
Deferred tax asset 3/31/2004		$ 0	

The valuation increased $314,752 from $638,450 at December 31, 2004.

Note 12 GOING CONCERN

The Company's financial statements for the years ended March 31, 2005 and 2004 show incurred net losses of $1,140,667 and $555,229, respectively, and has a working capital deficiency of $4,421,589, as of March 31, 2005, raising substantial doubt about the company's ability to continue as a going concern. Management's plans to address concerns raised by this issue include:

a. Through the acquisition of Plum Creek Outpatient and administrative services agreement with Stat Anesthesia, P.C., (See note 15) the Company believes it has already acquired significant asset and adequate liquid assets for operation. Net collectable accounts receivable acquired is estimated to be in excess of $1.4 million with no long term debt. Furthermore, management believes these companies will provide significant cash flow to provide for all corporate needs.

b. The Company also plans to raise additional capital and is working with a number of financial sources to achieve this.

There is no assurance that these or any efforts will be successful. However, management believes that these measures will enable the Company to have adequate funds to support operations for the next twelve months.

Note 13 RELATED PARTY TRANSACTIONS

During the year ended March 31, 2005 the Company's President and Chief Executive Officer loaned the Company $43,000. The loan is payable on demand, unsecured and interest free. The balance of the loan as of March 31, 2005 is $36,090.The Company's board of directors approved and authorized the issuance of 500,000 shares to a company owned by the Company's Chief Executive Officer as payment on the loan.

On September 7, 2004 by unanimous consent the Company's board of directors approved and authorized the exchange of 600,000 shares of the

Company's common stock to the Company's President and Chief Executive Officer in return for all accrued salary and any interest or penalties in connection with the accrued salary totaling $137,500.

Note 14 COMMITMENTS AND CONTINGENCIES

In 2003, the Company retained the services of an investment banking firm to raise capital for future acquisitions. Through March 31, 2005 the Company has paid $25,000 in deferred financing costs which will be offset against future equity proceeds.

In conjunction with the McCoy acquisition, Omni entered into an employment agreement with one of the McCoy's former owners, guaranteeing employment with Omni through November 30, 2005 at an annual salary of $30,000 plus performance based bonuses and benefits.

Omni entered into an employment agreements with its chief executive officer and president. The agreements provide compensation to both individuals at an annual base salary of $180,000, a $1,000 a month auto allowance, fully paid health insurance and a bonus of 1% of gross revenue, paid quarterly.

An action has been brought by holders of promissory notes issued by the Company's majority owned subsidiary, DataFuzion, Inc. for enforcement of the notes and possession of substantially all assets of DataFuzion which are alleged to secure payment of the notes. Plaintiffs filed a motion for possession of the assets, which was denied by the Court. DataFuzion does not dispute the execution or delivery of the

F-18

Omni Medical Holdings, Inc.
Notes to Financial Statements
March 31, 2005

Note 14 COMMITMENTS AND CONTINGENCIES[continued]

notes and has recorded the notes in these financial statements. In addition, DataFuzion has some claims against some of the Plaintiffs which may give rise to offsets or counterclaims against some(but in all likelihood, not all) of the Plaintiffs. Those claims have not yet been pled or fully factually explored. The current status of this matter is that the Plaintiffs have filed a Motion for Summary Judgement, seeking judgement for the notes balances(without enforcement of their claimed security interest). DataFuzion has sought and obtained an extension of time to respond to this Motion, and has initiated settlement discussions with Plaintiffs . Those settlement negotiations are ongoing.

Three former employees of DataFuzion have also brought action against the Company seeking back pay in total of approximately $60,000. DataFuzion disputes the claims but has offered settlement of approximately $12,000, which has been rejected. Discovery is ongoing and a settlement conference is scheduled for August 2005.

Two shareholders of DataFuzion have brought action against DataFuzion for royalties due them related to new sales of DataFuzion's "Infobridge" software. DataFuzion disputes the amounts owed and has entered into settlement negotiation with the shareholders.

Note 15 SUBSEQUENT EVENTS

Effective April 15, 2005, the Company acquired 100% of the outstanding shares of Plum Creek Outpatient, Inc., an Illinois corporation ("Plum Creek") in exchange for 1,000,000 shares of the Company's common stock that are "restricted securities" as defined in Rule 144 of the Securities and Exchange Commission. The Company also acquired the assets of Stat Anesthesia, P.C., an Illinois corporation ("Stat"), in exchange for 4,000,000 shares of our common stock that were also "restricted securities" as defined in Rule 144 of the Securities and Exchange Commission. Additionally, Stat signed an Administrative Services Agreement with the Company in which the Company will provide financial and administrative services for all of Stat's operations. While the Company will have complete control over the administrative and financial affairs of Stat, the Company will not be involved in any way in the practice of medicine.

F-19

DataFuzion, Inc.

Report of Independent Registered Public Accounting Firm
and
Financial Statements

December 31, 2004

DataFuzion, Inc.

TABLE OF CONTENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
DataFuzion, Inc.

We have audited the accompanying balance sheet of DataFuzion Inc. as of December 31, 2004 and the related statements of operations, stockholders' deficit, and cash flows for the years ended December 31, 2004 and 2003. 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 audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an 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 audit 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 also 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 audit provides 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 DataFuzion, Inc., as of December 31, 2004 and the results of operations and cash flows for the years ended December 31, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that DataFuzion, Inc. will continue as a going concern. As discussed in Note 11 to the financial statements, the Company has accumulated losses from operations and a deficit in working capital. These issues 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 11. The financial statements do not include any adjustment that might result from the outcome of this uncertainty.

/s/ Mantyla McReynolds
Mantyla McReynolds
Salt Lake City, Utah
May 6, 2005

DataFuzion, Inc.
Balance Sheet
December 31, 2004

ASSETS

Current assets:	
Cash and cash equivalents	$ 1,099
Accounts receivable, net of allowance for doubtful accounts of $8,000	139,232
Employee advances	1,832
Prepaid expenses	19,109
Total current assets	161,272
Property, equipment & improvements - Notes 1& 3	1,469,505
Other assets:	
Intangible assets, net - Note 1& 4	1,411,899
Total other assets	1,411,899
TOTAL ASSETS	$3,042,676

=========

See accompanying notes to financial statements

DataFuzion, Inc.
Balance Sheet [continued]
December 31, 2004

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:	
Accounts payable	$ 117,368
Bank overdraft	17,208
Related party payable-Note 12	534,843
Accrued expenses	468,414
Payroll and payroll taxes payable	330,440
Current portion of long term liabilities-Note 7	2,177,318
Total current liabilities	3,645,591
Long-term Liabilities	
Convertible debt-Note 7	1,037,576
Notes payable-Note 7	1,805,086
Current portion of long term liabilities-Note 7	(2,177,318)
Total long-term liabilities	665,344
Total liabilities	4,310,935
Stockholders' deficit:-Note 5	
Preferred stock, no par value per share; 10,000,000 Shares authorized; -0- issued and outstanding	-
Common stock, par value $0.001 per share; 100,000,000 shares authorized; 36,149,628 issued and outstanding	36,150
Capital in excess of par value	5,535,516
Accumulated deficit	(6,839,925)
Total stockholders' deficit	(1,268,259)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$3,042,676

See accompanying notes to financial statements

DataFuzion, Inc.
Statements of Operations
For the years ended December 31, 2004 and 2003

	2004	2003
Revenue	$ 954,897	$ 276,395
Expenses:		
General and administrative	1,045,749	672,028
Depreciation expenses	277,561	122,134
Total Expenses	1,323,310	794,162
Income (loss) from operations	(368,413)	(517,767)
Other income (expense):		
Other income	67	-

Other expense	(1,750)	-
Interest expense	(278,571)	(284,786)
Total other income (expense)	(280,254)	(284,786)
Loss from operations before income taxes	(648,667)	(802,553)
Provision for income taxes	-	-
Net loss	$ (648,667)	$ (802,553)
Net loss per share-basic and diluted	$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding-basic and diluted	31,541,843	27,237,643

See accompanying notes to financial statements

DataFuzion, Inc.
Statement of Stockholders' Deficit
For the Years Ended December 31, 2004 and 2003

	Shares Issued	Common Stock	Additional Paid in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance January 1, 2003	24,821,400	$24,821	$4,005,240	$(5,388,705)	$(1,358,644)
Conversions of debt to equity	2,471,615	2,472	167,819		170,291
Sale of common stock pursuant to private placements	726,105	726	194,324		195,050
Issuance of common stock for services	312,500	313	30,937		31,250
Net loss for year ended December 31, 2003				(802,553)	(802,553)
Balance, December 31, 2003	28,331,620	28,332	4,398,320	(6,191,258)	(1,764,606)
Conversions of debt to equity	4,965,508	4,966	415,048		420,014
Sale of common stock pursuant to private placements	2,402,500	2,402	677,598		680,000
Issuance of common stock for services	450,000	450	44,550		45,000
Net loss for year ended December 31, 2004				(648,667)	(648,667)
Balance, December 31, 2004	36,149,628	36,150	5,535,516	(6,839,925)	(1,268,259)

See accompanying notes to financial statements
F-5

DataFuzion, Inc.
Statements of Cash Flows
For the years ended December 31, 2004 and 2003

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (648,667)	$ (802,553)
Adjustments to reconcile net loss to net cash used in continuing operations:		
Depreciation and amortization	277,561	122,134
Allowance for doubtful accounts	5,000	3,000
Shares issued for services	45,000	31,250
Changes in operating assets and liabilities:		
Accounts receivable	4,011	(108,344)
Employee advances	-	(1,383)
Prepaid expenses	(13,951)	29,842
Accounts payable	72,723	10,500
Accrued expenses	138,070	391,229
Net cash used in operating activities	(120,254)	(324,325)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,538,035)	(35,705)
Software development costs	(408,824)	(224,434)
Net cash used in investing activities	(1,946,859)	(260,139)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	15,244	1,964
Proceeds from issuance of debt	1,339,421	3,595
Payments of debt	(175,000)	(1,055)
Convertible debentures	208,547	360,791
Proceeds from the issuance of common stock	680,000	195,050
Net cash provided by financing activities	2,068,212	560,345
NET INCREASE (DECREASE) IN CASH	1,099	(24,119)
CASH AT BEGINNING OF YEAR	0	24,119
CASH AT END OF YEAR	1,099	0
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 208,653	$ 127,512
Cash paid for income taxes	-	-
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of debt to equity	$ 420,014	$ 170,291

See accompanying notes to financial statements
F-6

DataFuzion, Inc.
Notes to Financial Statements
December 31, 2004

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - DataFuzion, Inc. ("DataFuzion"), a Colorado corporation, provides practice management, billing and collection services, and electronic medical records solutions to medical practitioners. The Company was originally organized as Urology Partners of America, Inc.

Cash and cash equivalents- The Company considers all highly liquid investments with original maturities at the date of purchase of three months or less to be cash equivalents.

Revenue recognition- The Company recognizes revenue according to Staff Accounting Bulletin 104, Revenue Recognition which clarifies U.S. generally accepted accounting principles for revenue transactions. The Company recognizes revenue from two sources, medical billing services and data hosting services. Fees for the medical billing services are primarily based on a percentage of net collections on our clients' accounts receivable. The Company recognizes revenue and bills its customers for these services when the customers receive payment on those accounts receivable. Revenues for the data hosting services are recognized monthly as services are performed for our clients.

Use of estimates in preparation of financial statements- The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Bad debt and allowance for doubtful accounts- The allowance for doubtful accounts is maintained at a level sufficient to provide for estimated credit losses based on evaluating known and inherent risks in the receivables portfolio. The Company provides an allowance for doubtful accounts which, based upon management's evaluation of numerous factors, including economic conditions, a predictive analysis of the outcome of the current portfolio and prior credit loss experience, is deemed adequate to cover reasonably expected losses inherent in outstanding receivables. The allowance at December 31, 2004 is $8,000.

Property and equipment- Property and equipment, including equipment under capital leases, are stated at cost, less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense as incurred. The following is a summary of the estimated useful lives and depreciation methods used in computing depreciation expense:

Asset	Depreciation Method	Estimated useful life
Computer Equipment	Straight-line	5 years
Office Furniture & Equipment	Straight-line	7 years
Computer Software	Straight-line	3 years
Leasehold Improvements	Straight-line	7 years

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES[continued]

Concentrations of credit risk-The Company grants credit to its customers, generally without collateral. At December 31, 2004, four customers accounted for 59% of accounts receivable, with each of those customers accounting for more than 10% of the total accounts receivable balance. During the years ended December 31, 2004 three customers accounted for 56% of sales, and during the year ended December 31, 2003 one customer accounted for 63% of sales.

Intangible assets- The Company's intangible assets include a trademark and software development costs.

Trademark-The trademark represents the cost of registering trademarks with the United States Patent and Trademark office. The Company expects the trademark to contribute to cash flows indefinitely and therefore deems the trademark to have an indefinite useful life.

Software development costs include costs incurred in the development or enhancement of the "Infobridge" software. These costs are capitlized after the preliminary project stage is complete, when management with the relevant authority authorizes and commits to the funding of the project, when it is probable that the project will be completed and when the software will be used to perform the function intended. Capitalization ceases no later than the point at which the project is substantially complete and ready for its intended use. The Company expenses software development costs, as incurred during the planning and post-implementation phases of development. The Company amortizes software on a straight line basis over its estimated useful life, generally seven years.

Income taxes- The Company complies with the provisions of Statement of Financial Accounting Standards No. 109 [the Statement], "Accounting for Income Taxes." The Statement requires an asset and liability approach for financial accounting and reporting for income taxes, and the recognition of deferred tax assets and liabilities for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled.

Net Loss Per Common share-In accordance with Statement of Financial Accounting Standards No. 128, "Earnings Per Share," basic loss per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share is computed using weighted average number of common shares plus dilutive common share equivalents outstanding during the period using the treasury stock method. Options to purchase 850,000 and 225,000 shares of common stock outstanding during 2004 and 2003 respectively, were excluded from the computation of diluted earnings per share because the effect would have been antidilutive.

Fair value of financial instruments- The carrying amounts of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate fair values due to the short maturities of these instruments. The carrying value of the Company's short-term borrowings approximates fair value based on the Company's current incremental borrowing rate for similar types of borrowing arrangements. The fair values of the Company's receivables and payables to related parties are not practicable to estimate due to the related party nature of the underlying transactions and indefinite payments terms.

DataFuzion, Inc.
Notes to Financial Statements
December 31, 2004

Note 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES[continued]

Stock based compensation-SFAS No. 123, "Accounting for Stock-Based Compensation" allows companies to choose wether to account for employee stock-based compensation on a fair-value method, or to account for such compensation under the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"). The Company has chosen to account for stock-based compensation using APB 25. At December 31, 2004, the Company had no stock option plans. If the Compensation cost for the Company's compensation plan had been determined consistent with SFAS No. 123 the Company's net income and net income per common share would have changed to the pro forma amounts indicated below:

	2004	2003
Net loss, as reported	$(648,667)	$(802,553)
Compensation cost under fair value-based accounting method, net of tax	54,426	33,692
Net loss, pro forma	$(703,093)	$(836,245)
Net loss per share-basic and diluted:		
As reported	$ (0.02)	$ (0.03)
Pro forma	$ (0.02)	$ (0.03)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes opton-pricing model with the following assumptions: dividend yield of 0%, expected volatility of 0%, risk-free interest rate of 3% and exptected lives of 3,650 days.

Recent Accounting pronouncements- On December 16, 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 123(R) Share-Based Payment, which is a revision of SFAS No. 123, Accounting for Stock-Based Compensation. SFAS No. 123 (R) supercedes Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock issued to Employees. SFAS. No. 123(R) requires all share-based payments to employees , including grants of employee stock options, to be recognized in the income statement based on their fair values. SFAS No. 123(R) must be adopted by the Company no later than July 1, 2005. The Company expects to adopt SFAS No. 123(R) on July 1, 2005. When the Company adopts SFAS No. 123(R), it may elect the modified prospective method or the modified retrospective method. The Company has not yet determined which method it will elect. The Company currently accounts for share-based payments to employees using APB Opinion No. 25 and the intrinsic value method and, as a result, generally recognizes no compensation cost for employee stock options. The impact of adoption of SFAS No. 123 (R) cannot be determined at this time because it will depend on levels of share-based payments granted in the future. Had the Company adopted SFAS No. 123(R) in prior periods, the impact would have approximated the impact of SFAS No. 123 described above under Stock based compensation.

Note 2 BUSINESS ACQUISITIONS

Effective June 30, 2004, the Company completed an asset purchase agreement with The TriZetto Group, Inc., ("TriZetto"), a Deleware corporation and a provider of healthcare information technology products and services. The aggregate purchase price was $800,000, including $720,000 payable at closing, and $80,000 payable in 120 days after closing. The Trizetto acquisition was accounted for as purchase and their results of operations are included in the Company's financial statements from the date of acquisition

The following table summarizes the estimated fair values of the assets acquired as of June 30, 2004, the date of acquisition.

Computer equipment	$ 150,000
Computer software	614,157
Accounts receivable	35,843
Net assets acquired	$ 800,000

Note 3 PROPERTY AND EQUIPMENT

The major categories of property and equipment are as follows:

	12/31/04
Computer Equipment	$ 710,098
Office Furniture & Equipment	64,577
Computer Software	950,551
Leasehold Improvements	18,509
Accumulated depreciation	(274,230)
Net property and equipment	1,469,505

Included in these balances are $845,970 of assets purchased under capital leases. Depreciation and amortization expense was $277,561 in 2004, and $122,134 in 2003.

Note 4 INTANGIBLE ASSETS

Intangible assets consist of the following:

Software development costs	$1,703,128
Trademark	1,270
Accumulated amortization	(292,499)
	$1,411,899

F-10

DataFuzion, Inc.
Notes to Financial Statements
December 31, 2004

Note 5 STOCKHOLDERS' EQUITY

During the year ended December 31, 2004, 2,402,500 shares of common stock of the Company were issued in private placements at prices ranging from $0.10 to $0.50 per share. The Company also converted $420,016 of debt into 4,965,508 shares of its common stock.

In November 2004, the Company issued 450,000 shares of common stock to three individuals as an incentive to pay-off a bank loan for the Company (See Note 16). Management has estimated the fair market value of the compensation as $45,000, which has been recorded as an expense in the accompanying financial statements.

During the year ended December 31, 2003, 726,105 shares of common stock of the Company were issued in private placements at prices ranging from $0.10 to $0.50 per share. The Company also converted $170,291 of debt into 2,471,615 shares of its common stock.

Note 6 LINE OF CREDIT

In November 2004, the Company's $625,000 line of credit was called by the bank. Three individuals who personally guaranteed the note paid $450,000 to pay off the line and the Company paid the additional $175,000. The $450,000 is included below in long term debt.

Note 7 LONG-TERM DEBT

The following is a summary of the Company's indebtedness as of December 31, 2004:

Note payable, interest at 10% payable in monthly payments of $92,852, due in June 2005, collateralized by equipment	$ 541,216
Convertible debt, with interest between 10% and 12%, payable on demand, unsecured	1,240,582
Capital leases payable, with interest at between 8.45% and 34.17% , payable in monthly installments totaling $23,586, due from September 2007 to November 2009 collateralized by equipment	813,870
Note payable, imputed interest at 10%, due on demand, unsecured	450,000
Total	$ 3,045,668

Future minimum note payments as of December 31, 2004, are approximately as follows:

Year Ending December 31:	Amount
2005	$2,380,324
2006	177,479
2007	190,733
2008	169,735
Thereafter	127,397
	$3,045,668

DataFuzion, Inc.
Notes to Financial Statements

December 31, 2004

Note 8 LEASES

The following is a schedule by years of future minimum lease payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 2004:

Year ended	Total
December 31, 2005	$ 96,170
December 31, 2006	95,439
December 31, 2007	74,708
Thereafter	78,977
Totals	$345,294

Rent expense for the years ended December 31, 2004 and 2003 was $51,325 and $72,245 respectively.

Note 9 INCOME TAXES

Below is a summary of deferred tax asset calculations on net operating loss carry forward amounts. Loss carry forward amounts expire through 2024. A valuation allowance is provided when it is more likely than not that some portion of the deferred tax asset will not be realized.

Description	NOL Balance	Tax	Rate
Federal Income Tax	$4,078,606	$1,386,726	34%
Valuation allowance		(1,386,726)	
Deferred tax asset 12/31/2004		$ 0	

The valuation allowance increase $220,547 from $1,166,179 as of December 31, 2003

Note 10 STOCK OPTION PLAN

In March 1998 the Company's Board of Directors adopted the Company's Incentive Stock Option Plan ("The Plan"). The Plan grants options to officers and key employees of the Company to purchase up to 7,500,000 shares of the Company's common stock. At prices determined by the Board of Directors at the time of grant. The options fully vest upon the date of grant.

Changes in stock options for the year ended December 31, 2004 is as follows:

F-12

DataFuzion, Inc.
Notes to Financial Statements
December 31, 2004

Note 10 STOCK OPTION PLAN-[continued]

	Shares	Weighted Average Exercise Price
Outstanding @ 12/31/03	225,000	$ 0.40
Granted	625,000	0.40
Exercised	0	0.00
Forfeited/expired	0	0.00
Outstanding @ 12/31/04	850,000	0.40
Exercisable	850,000	0.40

Weighted average fair value of options granted during year		$ 0.30
Weighted average fair value of shares issued under Incentive Stock Option Plan		N/A

Note 11 GOING CONCERN

The Company's financial statements for the years ended December 31, 2004 and 2003 show incurred net losses of $648,667 and $802,553, respectively, and a working capital deficiency of $3,484,319 as of December 31, 2004, raising substantial doubt about the Company's ability to continue as a going concern. Management's plans to address concerns raised by this issue include pursuing additional sources of liquidity in the form of commercial credit or additional sales of the Company's equity securities to fund a combination of short-term working capital requirements and growth.

There is no assurance that these or any efforts will be successful. However, management believes that these measures will enable the Company to have adequate funds to support operations for the next twelve months.

Note 12 RELATED PARTY TRANSACTIONS

A member of the Company's Board of Directors has loaned the Company $203,006 plus accumulated interest at 12% of $220, 258. The loan is unsecured and due on demand.

The Company's Chief Executive Officer is owed deferred salary with interest in the amount of $111,579. This amount has been accrued for in these financial statements.

Note 13 COMMITMENTS AND CONTINGENCIES

An action has been brought by holders of promissory notes issued by the Company for enforcement of the notes and possession of substantially all assets of the Company which are alleged to secure payment of the notes. Plaintiffs filed a motion for possession of the assets, which was denied by the Court. The Company does not dispute the execution or delivery of the notes and has recorded the notes in these

Note 13 COMMITMENTS AND CONTINGENCIES[continued]

financial statements. In addition, the Company has some claims against some of the Plaintiffs which may give rise to offsets or counterclaims against some(but in all likelihood, not all) of the Plaintiffs. Those claims have not yet been pled or fully factually explored. The current status of this matter is that the Plaintiffs have filed a Motion for Summary Judgement, seeking judgement for the notes balances(without enforcement of their claimed security interest). The Company has sought and obtained an extension of time to respond to this Motion, and has initiated settlement discussions with Plaintiffs . Those settlement negotiations are ongoing.

Three former employees of the Company have also brought action against the Company seeking back pay in total of approximately $60,000. The Company disputes the claims but has offered settlement of approximately $12,000, which has been rejected. Discovery is ongoing and a settlement conference is scheduled for August 2005.

Two shareholders of the Company have brought action against the Company for royalties due them related to new sales of the Company's "Infobridge" software. The Company disputes the amounts owed and has entered into settlement negotiation with the shareholders.

Note 14   SUBSEQUENT EVENTS

Effective March 1, 2005, the Company entered into a share exchange agreement ("the agreement") with Omni Medical Holdings, Inc..("Omni"). The agreement calls for Omni to offer a shareholder exchange to the DataFuzion shareholders in which they may transfer to Omni at closing 100% of the outstanding common stock of DataFuzion in exchange for 23,019,215 shares of common stock of Omni. The exchange will constitute a 50% ownership of Omni for the shareholders of DataFuzion in the event all shareholders of DataFuzion agree to exchange their respective common shares.

Omni Medical Holdings, Inc.
Pro Forma Financial Statements
December 31, 2004

Omni Medical Holdings, Inc.
Pro Forma Balance Sheet
December 31, 2004
(Unaudited)

ASSETS

	Omni Medical Holdings, Inc.	Datafuzion Inc.	Adjustments	Pro Forma Giving Effect to Acquisition as of December 31, 2004
Current Assets:				
Cash and cash equivalents	16,420	1,099	-	17,519
Accounts receivable, net	398,721	139,232	-	537,953
Short-term investments, at fair value	161,326	-	-	161,326
Employee advances	3,935	1,832	-	5,767
Prepaid expenses	57,640	19,109	-	76,749
Total current assets	638,042	161,272	-	799,314
Property & equipment, net	200,191	1,469,505	-	1,669,696

Other assets:				
Deposits	730	-	-	730
Deferred financing costs	25,000	-	-	25,000
Goodwill	72,300	-	3,353,964	3,426,264
Intangible assets, net	396,190	1,411,899	-	1,808,089
Total other assets	494,220	1,411,899	3,353,964	5,260,083
Total assets	1,332,453	3,042,676	3,353,964	7,729,093

See accompanying notes to Pro Forma Financial Statements.

Omni Medical Holdings, Inc.
Pro Forma Balance Sheet (continued)
December 31, 2004
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

	Omni Medical Holdings, Inc.	Datafuzion Inc.	Adjustments	Pro Forma Giving Effect to Acquisition as of December 31, 2004
Current Liabilities:				
Accounts Payable	176,412	117,368	-	293,780
Accrued expenses	121,931	1,130,691	-	1,252,622
Line of credit	71,606	17,208	-	88,814
Notes payable, current portion	696,731	2,380,324	-	3,077,055
Total current liabilities	1,066,680	3,645,591	-	4,712,271
Long-term Liabilities				
Notes payable, net of current portion	60,256	665,344	-	725,600
Total long-term liabilities	1,126,936	4,310,935	-	5,437,871
Minority interest			(126,826)	(126,826)
Stockholders' equity				
Preferred stock	-	-	-	-
Common stock	22,614	36,150	(14,025)	44,739
Capital in excess of par value	2,752,173	5,535,516	(3,345,110)	4,942,579
Unrealized loss on investment	(161,327)	-	-	(161,327)
Accumulated deficit	(2,407,943)	(6,839,925)	6,839,925	(2,407,943)
Total stockholders' equity	205,517	(1,268,259)	3,480,790	2,418,048
Total liabilities and Stockholders' Equity	1,332,453	3,042,676	3,353,964	7,729,093

See accompanying notes to Pro Forma Financial Statements

Omni Medical Holdings, Inc.
Pro Forma Statement of Operations
For the Year Ended March 31, 2004
(Unaudited)

	Omni Medical Holdings, Inc.	Datafuzion Inc.	Adjustments	Pro Forma Giving Effect to Acquisition as of March 31, 2005
Revenue	1,181,146	312,178	-	1,493,324
Cost of sales	748,710	-	-	748,710
Gross operating profit	432,436	312,178	-	744,614
General and administrative expenses	916,631	640,712	-	1,557,343
Income (loss) from operations	(484,195)	(328,534)	-	(812,729)
Other income (expenses)				
Interest income	-	-	-	-
Interest expense	(37,298)	(251,252)	-	(288,550)
Realized loss on investment	-	-	-	-
Total other income (expense)	(37,298)	(251,252)	-	(288,550)
Loss from continuing operations before income taxes	(521,493)	(579,786)	-	(1,101,279)
Provision for income taxes	-	-	-	-
Loss from continuing operations before income taxes	(521,493)	(579,786)	-	(1,101,279)
Loss from discontinued operations	(33,736)	-	-	(33,736)
Net loss	$ (555,229)	$ (579,786)	-	$ (1,135,015)
Loss per share basic and diluted:				
Continuing operations	$ (0.04)	$ (0.02)		
Discontinued operations	$ (0.01)	$ -		
Net loss per share-basic and diluted	$ (0.04)	$ (0.02)		
Weighted average number of common shares outstanding-basic and diluted	14,708,706	26,372,463		

See accompanying notes to Pro Forma Financial Statements

Omni Medical Holdings, Inc.
Pro Forma Statement of Operations
For the Nine Months Ended December 31, 2004
(Unaudited)

	Omni Medical Holdings, Inc.	Datafuzion Inc.	Adjustments	Pro Forma Giving Effect to Acquisition as of December 31, 2004
Revenue	1,221,915	867,559	-	2,089,474
Cost of sales	842,946	-	-	842,946
Gross operating profit	378,969	867,559	-	1,246,528
General and administrative expenses	752,942	1,491,429	-	2,244,371
Income (loss) from operations	(373,973)	(623,870)	-	(997,843)
Other income (expenses)				
Interest income	29	-	-	29
Interest expense	(46,745)	(216,520)	-	(263,265)
Loss on sale of assets	(21,878)	-	-	(21,878)
Realized loss on investment	(77,582)	-	-	(77,582
Total other income (expense)	(146,176)	(216,520)	-	(362,696)
Loss from continuing operations before income taxes	(520,149)	(840,390)	-	(1,360,539)
Provision for income taxes	-	-	-	-
Loss from continuing operations before income taxes	(520,149)	(840,390)	-	(1,360,539)
Loss from discontinued operations	-	-	-	-
Net loss	$ (520,149)	$(840,390)	-	$ (1,360,539)
Loss per share basic and diluted:				
Continuing operations	$ (0.03)	$ (0.03)		
Discontinued operations	$ -	$ -		
Net loss per share-basic and diluted	$ (0.03)	$ (0.03)		
Weighted average number of common shares outstanding-basic and diluted	19,108,566	31,541,843		

See accompanying notes to Pro Forma Financial Statements

Omni Medical Holdings, Inc.

Notes to Pro Forma Financial Statements
December 31, 2004
(Unaudited)

Note 1 DESCRIPTION OF TRANSACTION

Effective March 1, 2005, Omni Medical Holdings, Inc. ("Omni"), entered into a share exchange agreement ("the agreement") with DataFuzion, Inc. a Colorado corporation and provider of practice management, billing and collection services, and electronic medical records solutions to medical practitioners. The agreement calls for Omni to offer a shareholder exchange to the DataFuzion shareholders in which they may transfer to Omni at closing 100% of the outstanding common stock of DataFuzion in exchange for 23,019,215 shares of common stock of Omni. The exchange will constitute a 50% ownership of Omni for the shareholders of DataFuzion in the event all shareholders of DataFuzion agree to exchange their respective common shares. As of July 8, 2005 approximately 90% of the DataFuzion shareholders had exchanged their shares for shares of Omni and Omni had issued 21,772,966 shares of its common stock, with an additional 352,339 to be issued for a total issuance of 22,125,305 shares of common stock.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

On May 10, 2004, our Board of Directors resolved to dismiss Gelfand, Hochstadt Pangburn, P.C., as our principal independent accountant and to retain Mantyla McReynolds, Certified Public Accountants, of Salt Lake City, Utah, as our new principal independent accountant, and to audit our financial statements for the fiscal year ended March 31, 2004. See Part III, Item 13 of this Annual Report.

Item 8(a). Controls and Procedures.

As of the end of the 90 day period at the end of this Annual Report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic reports that are filed with the Securities and Exchange Commission. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. In addition, we reviewed our internal controls, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of their last evaluation.

Item 8(b). Other Information.

Effective April 15, 2005, Omni Medical Holdings, Inc. ("we," "our," "us" or words of similar import) acquired 100% of the outstanding shares of Plum Creek Outpatient, Inc., an Illinois corporation ("Plum Creek"), in exchange for 1,000,000 shares of our common stock that are "restricted securities" as defined in Rule 144 of the Securities and Exchange Commission.

We also acquired the assets of Stat Anesthesia, P.C., an Illinois corporation ("Stat"), in exchange for 4,000,000 shares of our common stock that were also "restricted securities" as defined in Rule 144 of the Securities and Exchange Commission. Additionally, Stat signed an Administrative Services Agreement with us in which we will provide financial and administrative services for all of Stat's operations. While we will have complete control over the administrative and financial affairs of Stat, we will not be involved in any way in the practice of medicine. Peter Pollachek will be retained as a consultant to us for a period of two years.

For more information regarding these two acquisitions see our 8-K Current Report filed with the Securities and Exchange Commission on April 21, 2005. See Part III, Item 13.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

Identification of Directors and Executive Officers.

The following table sets forth the name, address, age and position of each officer and director of the Company:

Name	Age	Position
Arthur D. Lyons	46	CEO, CFO and Director
Douglas Davis	53	President, Treasurer and Director
John Globoker	31	Corporate Vice President, Secretary and Director
Lance Weaver	45	Director
Robert Bauers	55	Director

Term of Office.

Directors are elected by our stockholders to serve until the next annual meeting of our stockholders or until their successors have been elected and have duly qualified. Officers are appointed to serve until the annual meeting of our Board of Directors following the next annual meeting of our stockholders and until their successors have been elected and have qualified.

The following is a summary of the business experience of each of our current directors and executive officers:

Arthur D. Lyons. Since 1980, Mr. Lyons has held positions with Merrill Lynch, E.F. Hutton, Prudential Securities and PaineWebber as investment representative, pension consultant, trader and portfolio manager. In 1999, Mr. Lyons formed LHM Trading, an investment firm, and in 2000, founded Interstate Advisors, Inc., a registered investment advisor. Mr. Lyons' broad financial experience has provided him with a solid background in the financial and investment fields. He holds a B.A. Degree in sociology with a minor in accounting from Samford University in Birmingham, Alabama, in 1979.

Douglas Davis, President, Treasurer & Director - Since DataFuzion's inception in 1996, Mr. Davis has arranged and negotiated all structuring of the financing of the company as well as managed day to day operations. For over 20 years prior, Mr. Davis has served as CEO and CFO with experience in financing, mergers, acquisitions, compliance, operations, and marketing. As a principal and advisor, Mr. Davis has structured transactions raising several hundred million dollars of capitalization for private companies in the healthcare, telecommunications, real estate and securities industries that were posturing for private or public growth. Mr. Davis was Chairman, CEO and the largest shareholder of a Denver-based holding company from 1988-1994. Mr. Davis has managed numerous due diligence operations, as well as strategic planning and structuring of company business plans. Mr. Davis has held several securities licenses, and was a senior partner/principal in a national broker/dealer from 1983 to 1988 helping to manage its significant growth and eventual sale to Shearson-Lehman Brothers in 1989. Mr. Davis holds a Bachelor of Science from the University of Colorado and is a C.F.P.

John L. Globoker. Mr. Globoker was appointed Corporate Vice President and Secretary October, 1, 2003. He graduated from the University of Northern Colorado in Greeley, Colorado and earned his MBA from National American University in 2002. John has extensive marketing experience in the areas of human resources, finance and marketing primarily through his association with the Nash Finch Co. Mr. Globoker joined the Company in mid 2003, and was promoted to senior management shortly thereafter.

Lance Weaver. Director, graduated in 1982 from the South Dakota School of Mines and Technology with a degree in Mechanical Engineering. Over the past twenty years, he has owned and operated several businesses. Currently he is Vice President and shareholder in Lloyd's, Inc., an international company, based in Rapid City, South Dakota, that engineers and manufactures inspection and security robots and cameras.

Robert Bauers, Director, Robert Bauers is a successful and seasoned CEO and entrepreneur, serving numerous companies from positions of governance and management. Robert is currently Chairman of Tatonka Capital Corp., a finance company specializing in government projects. Founded in 1993, Tatonka currently provides financing in excess of $100 million to municipal and federal government entities. Previously, Mr. Bauers was a principal in First Municipal Leasing Corporation that was sold in 1988 to Bank One Corporation where he served as Executive Vice President of Bank One's Leasing Corporation. Staying on as head of Bank One's Municipal Division until 1992, volume increased five-fold. Mr. Bauer is also currently President of First Western Restaurants Corporation., a Wendy's franchise that operates eleven restaurants in Colorado with revenues exceeding $20 million annually. He holds a Bachelor of Science in Business Administration from the University of Colorado and is on the University of Colorado Dean's Advisory Council.

Family Relationships.

There are no family relationships between Mr. Lyons, Mr. Davis, Mr. Globoker and Mr. Weaver.

Involvement in Certain Legal Proceedings.

During the past five years, none of our present or former directors, executive officers or persons nominated to become directors or executive officers:

(1) Filed a petition under the federal bankruptcy laws or any state insolvency law, nor had a receiver, fiscal agent or similar officer appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) Was convicted in a criminal proceeding or named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him or her from or otherwise limiting his involvement in any type of business, securities or banking activities;

(4) Was found by a court of competent jurisdiction in a civil action, by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated any federal or state securities law, and the judgment in such civil action or finding by the Securities and Exchange Commission has not been subsequently reversed, suspended, or vacated.

Compliance with Section 16(a) of the Exchange Act.

We believes all forms required to be filed under Section 16 of the Exchange Act for all of our directors and executive officers have been timely filed.

Audit Committee.

We have not adopted an audit committee as of the date of this Report. We will disclose when and if we do adopt an audit committee in the future.

Code of Ethics.

We have adopted a Code of Ethics and it was attached as Exhibit 14 to our Annual Report for the year ended March 31, 2004. See Part III, Item 13, of this
Annual Report.

Item 10. Executive Compensation.

Cash Compensation.

The following table shows the aggregate compensation that we have paid to directors and executive officers for services rendered during the periods indicated:

SUMMARY COMPENSATION TABLE

				Long Term Compensation				
	Annual Compensation				Awards		Payouts	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)

Name and Principal Position	Year or Period Ended	Salary ($)	Bonus ($)	Other Annual Compen-	Rest-ricted Stock	Secur-ities Under-lying Options	LTIP Pay-outs	All Other Comp-ensat'n
Arthur D.	3/31/05	180000	0	0	0	0	0	0
Lyons	3/31/04	0	0	0	600000	0	0	0
President,	6/30/03	6000*	0	0	0	17777*	0	2200*
CEO,								
Director								
Charles D.								
Arbeiter	3/31/04	0	0	0	0	0	0	0
COO, Treas.	6/30/03	0	0	0	0	8889*	0	0
Director								
John Globoker	3/31/05	40000	0	0	0	0	0	0
Corp. V.P.,	3/31/04	30000	0	0	0	0	0	0
Secretary,								
Director								
Lance Weaver	3/31/05	0	0	0	0	0	0	0
director	3/31/04	0	0	0	0	0	0	0
Douglas Davis	3/31/05	15000	0	0	0	0	0	0
President								
Treasurer								
Director								
Robert Bauers	3/31/05	0	0	0	0	0	0	0
Director								

We do not have any stock option, bonus, profit sharing, pension or similar plan; however, we may adopt such a plan in the future to attract and/or retain members of management or key employees.

Compensation of Directors

We do not compensate our Directors.

Employment Agreements

In conjunction with the McCoy Business Services acquisition, we entered into an Employment Agreement with one of the McCoy's former owners, guaranteeing employment with us through November 30, 2005, at an annual salary of $30,000, plus performance based bonuses and benefits.

We entered into an Employment Agreement with our chief executive officer and President commencing October 1, 2003, through December 31, 2008. The Agreement provides compensation at an annual base salary of $180,000, a $1,000 a month auto allowance, fully paid health insurance and a bonus of 1% of gross revenue, paid quarterly.

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information concerning the beneficial ownership of Omni common stock as of July 13, 2005, by each director and executive officer, all directors and officers as a group, and each person known to beneficially own 5% or more of its outstanding common stock.

Name and Address of Beneficial Owner	Shares Owned(1)	Percentage Owned(1)
Arthur D. Lyons 2319 Huntington Place Rapid City, SD 57702	2,268,937	5.1%
John L. Globoker	50,000	(3)
Robert Bauers 7660 Valmont Road Boulder, CO 80301	3,279,350	7.4%
Douglas Davis	0	0
Lance Weaver and Cindy Weaver 3921 Mary Drive Rapid City, SD 57702	114,234	(3)
Peter Pollacheck 27240 Dutton Road Beecher, IL 60401	4,000,000	9.0%
Langley Park Investments One Great Cumberland Place London, UK W1H7AL	4,400,000	9.9%
Al Rieman 216 N. Berry Pine Road Rapid City, SD 57702	2,503,301	5.7%
LHM Trading (2) 1107 Mt. Rushmore Road #2 Rapid City, SD 57701	3,195,721	7.2%
Totals:	19,811,543	44.8%

(1) Based upon 44,249,898 outstanding shares.

(2) LHM Trading is controlled by Arthur D. Lyons, CEO, Secretary and a Director of Omni.

(3) Less than 1%.

Changes in Control.

To our knowledge, there are no present arrangements or pledges of our securities that may result in a change in control of our company.

Item 12. Certain Relationships and Related Transactions.

Transactions with Management and Others.

During the year ended March 31, 2005, our Company's President and Chief Executive Officer loaned us $43,000. The loan is payable on demand, unsecured and interest free. The balance of the loan as of March 31, 2005, is $36,090. Our Board of Directors approved and authorized the issuance of 500,000 shares of our common stock to a company owned by this person as payment on the loan.

On September 7, 2004 by unanimous consent, our Company's Board of Directors approved and authorized the exchange of 600,000 shares of our common stock to our President and Chief Executive Officer in return for all accrued salary and any interest or penalties in connection with the accrued salary totaling $137,500.

In 2003, weretained the services of an investment banking firm to raise capital for future acquisitions. Through March 31, 2005, we have paid $25,000 in deferred financing costs which will be offset against future equity proceeds.

In conjunction with the McCoy Business Services acquisition, we entered into an Employment Agreement with one of the McCoy's former owners, guaranteeing employment with us through November 30, 2005 at an annual salary of $30,000 plus performance based bonuses and benefits.

We entered into an Employment Agreements with our Chief Executive Officer and President. The Agreements provide compensation to both individuals at an annual base salary of $180,000, a $1,000 a month auto allowance, fully paid health insurance and a bonus of 1% of gross revenue, paid quarterly.

An action has been brought by holders of promissory notes issued by our Company's majority-owned subsidiary, DataFuzion, Inc. for enforcement of the notes and possession of substantially all assets of DataFuzion which are alleged to secure payment of the notes. Plaintiffs filed a motion for possession of the assets, which was denied by the court. DataFuzion does not dispute the execution or delivery of the notes and has recorded the notes in these financial statements. In addition, DataFuzion has some claims against some of the Plaintiffs which may give rise to offsets or counterclaims against some(but in all likelihood, not all) of the Plaintiffs. Those claims have not yet been pled or fully factually explored. The current status of this matter is that the Plaintiffs have filed a Motion for Summary Judgement, seeking judgment for the notes balances(without enforcement of their claimed security interest). DataFuzion has sought and obtained an extension of time to respond to this Motion, and has initiated settlement discussions with Plaintiffs. Those settlement negotiations are ongoing.

Three former employees of DataFuzion have also brought action against the Company seeking back pay in total of approximately $60,000. DataFuzion disputes the claims but has offered settlement of approximately $12,000, which has been rejected. Discovery is ongoing and a settlement conference is scheduled for August 2005.

Transactions with Promoters.

Except as outlined under the caption "Transactions with Management," during the past two years, there have been no material transactions, series of similar transactions or currently proposed transactions, to which our company or any of our subsidiaries was or is to be a party, in which the amount involved exceeded $60,000 and in which any director or executive officer, or any security holder who is known to us to own of record or beneficially more than five percent of our common stock, or any member of the immediate family of any of the foregoing persons, or any promoter or founder had a material interest.

Item 13. Exhibits.

Reports on Form 8-K.

8-K Current Report dated December 1, 2003 and filed March 2, 2004, regarding an Asset Purchase Agreement with McCoy Business Services.*

8-K Current Report dated May 30, 2003 and filed May 10, 2004, regarding an Asset Purchase Agreement with Medical Billing Management.*

8-K Current Report dated May 10, 2004 and filed May 13, 2004, regarding the change in accountants.*

8-K Current Report dated April 15, 2005 and filed April 21, 2005, regarding the acquisitions of Plum Creek Outpatient, Inc. and Stat Anesthesia, P.A.*

Exhibits*

(i)

	Where Incorporated in this Report
None.	

(ii)

Exhibit Number	Description
21	Subsidiaries of the Company
31.1	302 Certification of Arthur D. Lyons
32	906 Certification

* Summaries of all exhibits contained within this Report are modified in their entirety by reference to these Exhibits.

** These documents and related exhibits have been previously filed with the Securities and Exchange Commission and are incorporated herein by reference.

ITEM 14. Principal Accountant Fees and Services.

The following is a summary of the fees billed to us by our principal accountants during the fiscal years ended March 31, 2004 and 2003:

Fee category	2005	2004
Audit fees	$22,053	$17,000
Audit-related fees	$ 8,158	$18,000
Tax fees	$ 3,609	$ 0

All other fees	$ 0	$ 0
Total fees	$33,820	$35,000

Audit fees. Consists of fees for professional services rendered by our principal accountants for the audit of Omni's annual financial statements and the review of financial statements included in Omni's Forms 10-QSB or services that are normally provided by our principal accountants in connection with statutory and regulatory filings or engagements.

Audit-related fees. Consists of fees for assurance and related services by our principal accountants that are reasonably related to the performance of the audit or review of Omni's financial statements and are not reported under "Audit fees."

Tax fees. Consists of fees for professional services rendered by our principal accountants for tax compliance, tax advice and tax planning.

All other fees. Consists of fees for products and services provided by our principal accountants, other than the services reported under "Audit fees," "Audit-related fees" and "Tax fees" above. The fees disclosed in this category include due diligence, preparation of pro forma financial statements as a discussion piece for a Board member, and preparation of letters in connection with the filing of Current Reports on Form 8-K.

SIGNATURES

In accordance with the requirements of the Act, the Registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

OMNI MEDICAL HOLDINGS, INC.

Date: 7/14/05 By: /s/ Arthur D. Lyons

Arthur D. Lyons, CEO, CFO and Director

Date: 7/14/05 By: /s/ John Globoker

John Globoker, Vice President, Secretary and Director

Date: 7/14/05 By: /s/ Douglas Davis

Douglas Davis, President, Treasurer and Director