

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

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

For the transition period from _____ to _____

Commission File No.: 333-146182

Biozone Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

20-5978559

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

**550 Sylvan Avenue
Suite 101**

Englewood Cliffs, NJ 07632
(Address of principal executive offices)

Issuer's telephone number: **(201) 608-5101**

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

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

APPLICABLE ONLY TO CORPORATE ISSUERS

As of August 22, 2011, there were 67,529,396 shares of our common stock outstanding.

Transitional Small Business Disclosure Format: Yes No

Quarterly Report on Form 10-Q for the

Six months ended June 30, 2011

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PART 1: FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

BIOZONE PHARMACEUTICALS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,839,685	\$ 251,475
Account receivable net of allowance for doubtful accounts \$147,212 and \$118,356, respectively	1,671,362	1,397,414
Inventories	2,838,159	2,503,598
Prepaid expenses and other current assets	94,382	43,282
Total current assets	<u>6,443,588</u>	<u>4,195,769</u>
Property and equipment, net	3,139,251	3,262,133
Non-marketable investment	61,335	61,335
Deferred financing costs, net	176,671	35,363
Goodwill	1,299,309	-
	<u>4,676,566</u>	<u>3,358,831</u>
Total Assets	<u>\$ 11,120,154</u>	<u>\$ 7,554,600</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Note payable - bank	2,154,121	2,258,184
Accounts payable	1,435,491	963,853
Accrued expenses and other current liabilities	296,825	129,477
Notes payable - shareholder	1,100,185	1,102,926
Convertible note payable	2,250,000	-
Deferred income tax	69,018	69,018
Current portion of long term debt	236,892	277,299
Total current liabilities	<u>7,542,532</u>	<u>4,800,757</u>
Long Term Debt	<u>3,211,366</u>	<u>3,275,978</u>
Shareholders' equity		
Common stock, \$.001 par value, 100,000,000 shares authorized, 67,029,396 and 37,698,000 shares issued and outstanding at Jun 30, 2011 and 2010, respectively	67,029	37,698
Additional paid-in capital	2,331,771	361,102
Accumulated deficit	(2,032,544)	(920,935)
Total shareholders' equity	<u>366,256</u>	<u>(522,135)</u>
Total liabilities and shareholders' equity	<u>\$ 11,120,154</u>	<u>\$ 7,554,600</u>

See accompanying notes to consolidated financial statements

BIOZONE PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND OTHER COMPREHENSIVE (LOSS)
(Unaudited)

	<u>Three Months Ended Jun 30,</u> <u>2011</u>	<u>2010</u>	<u>Six Months Ended Jun 30,</u> <u>2011</u>	<u>2010</u>
Sales	\$ 2,570,936	\$ 3,142,405	\$ 5,007,315	\$ 6,618,001
Cost of sales	<u>(1,308,278)</u>	<u>(1,496,158)</u>	<u>(2,523,364)</u>	<u>(3,155,186)</u>
Gross profit	<u>1,262,658</u>	<u>1,646,247</u>	<u>2,483,951</u>	<u>3,462,815</u>
Operating Expenses:				
General and administrative expenses	1,583,738	1,328,220	3,091,559	2,776,756
Depreciation expense	85,244	80,861	166,650	161,606
Research and development expenses	53,392	44,175	115,156	94,660
Total Operating Expenses	<u>1,722,374</u>	<u>1,453,256</u>	<u>3,373,365</u>	<u>3,033,022</u>
Income (Loss) from operations	(459,716)	192,991	(889,414)	429,793
Interest expense	(108,686)	(94,490)	(222,195)	(199,727)
Income (Loss) before provision for income taxes	(568,402)	98,501	(1,111,609)	230,066
Provision for income taxes		(40,000)		(92,000)
Net income (loss) including noncontrolling interest	<u>(568,402)</u>	<u>58,501</u>	<u>(1,111,609)</u>	<u>138,066</u>
Less: Net (loss) attributable to noncontrolling interest		<u>(460)</u>		<u>(696)</u>
Net income (loss) attributable to Biozone	<u>\$ (568,402)</u>	<u>\$ 58,961</u>	<u>\$ (1,111,609)</u>	<u>\$ 138,762</u>
Income (Loss) per common share	<u>\$ (0.01)</u>	<u>\$ 0.002</u>	<u>\$ (0.03)</u>	<u>\$ 0.004</u>
Basic and diluted weighted average common share outstanding	<u>41,388,416</u>	<u>37,698,000</u>	<u>39,543,208</u>	<u>37,698,000</u>

See accompanying notes to consolidated financial statements

BIOZONE PHARMACEUTICAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended Jun 30,	
	2011	2010
Cash flows from operating activities		
Net income (loss)	\$ (1,111,609)	\$ 138,762
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Bad debt expense	16,000	16,500
Depreciation and Amortization	166,650	161,606
Changes in assets and liabilities:		
Account receivable-trade	(267,038)	(1,296,038)
Inventories	(242,218)	(535,296)
Prepaid expenses and other current assets	(51,085)	26,223
Trade note receivable		29,748
Accounts payable	471,054	816,232
Accrued expenses and other current liabilities	167,973	169,747
Net cash used in operating activities	<u>(850,273)</u>	<u>(472,516)</u>
Cash flows from investing activities		
Purchase of property and equipment	(9,376)	(52,558)
Cash acquired on business combination	585,720	-
Net cash provided by (used in) investing activities	<u>576,344</u>	<u>(52,558)</u>
Cash flows from financing activities		
Payment of deferred financing costs	(150,364)	
Repayments to short-term loan	(97,384)	(116,493)
Proceeds from convertible debt	2,250,000	
Repayments of long term debt	(137,371)	(102,329)
Advance from (payment to) shareholder	(2,742)	367,444
Net cash provided by financing activities	<u>1,862,139</u>	<u>148,622</u>
Net increase (decrease) in cash and cash equivalents	1,588,210	(376,452)
Cash and cash equivalents, beginning of period	<u>251,475</u>	<u>630,462</u>
Cash and cash equivalents, end of period	<u>\$ 1,839,685</u>	<u>\$ 254,010</u>
Supplemental disclosures of cash flow information:		
Interest paid	<u>\$ 218,497</u>	<u>\$ 199,727</u>
Income taxes paid	<u>\$ -</u>	<u>\$ 15,031</u>

See accompanying notes to consolidated financial statements

Biozone Pharmaceuticals, Inc.
(Formerly Known as International Surf Resorts, Inc.)

Notes To Consolidated Financial Statements

June 30, 2011

(Unaudited)

NOTE 1 – Business

Biozone Pharmaceuticals, Inc. (formerly, International Surf Resorts, Inc.; the “Company”, “we”, “our”) was incorporated under the laws of the State of Nevada on December 4, 2006 to operate as an internet-based provider of international surf resorts, camps and guided surf tours. On March 1, 2011, we changed our name from International Surf Resorts, Inc. to Biozone Pharmaceuticals, Inc.

On May 16, 2011, we acquired substantially all of the assets and assumed all of the liabilities of Aero Pharmaceuticals, Inc. (“Aero”) pursuant to an Asset Purchase Agreement dated as of that date. Aero manufactures markets and distributes a line of dermatological products under the trade name of Baker Cummins Dermatologicals (see Note 3).

On June 30, 2011, we acquired: (i) 100% of the outstanding common stock of BioZone Laboratories, Inc. (“BioZone Labs”) in exchange for 19,266,055 shares of our common stock; (ii) 100% of the outstanding membership interests of Equalan, LLC (“Equalan”) and Equachem, LLC (“Equachem”) in exchange for 1,027,523 and 385,321 shares of our common stock, respectively; and (iii) 45% of the outstanding membership interests of BetaZone, LLC (“BetaZone”) in exchange for 321,101 shares of our common stock. The acquired entities shared substantially common ownership prior to the foregoing acquisition. (We refer to BioZone Labs, Equalan, Equachem and BetaZone, collectively as the “BioZone Lab Group”).

BioZone Labs was incorporated under the laws of the State of California in 1991. Equalan was formed as a limited liability company under the laws of the State of California on January 2, 2007. Equachem was formed as a limited liability company under the laws of the State of California on March 12, 2007 under the name Chemdyn, LLC and changed its name to Equachem, LLC on July 25, 2007. BetaZone was formed as a Florida limited liability company on November 7, 2006.

The BioZone Lab Group has operated since inception as a developer, manufacturer, and marketer of over-the-counter drugs and preparations, cosmetics, and nutritional supplements on behalf of health care product marketing companies and national retailers. In addition, we have been developing our proprietary drug delivery technology (the “BioZone Technology”) as an enhancement for approved, generic prescription drugs that are limited due to poor stability or bioavailability or variable absorption.

The Company accounted for the acquisition of the BioZone Lab Group as a “reverse acquisition”. Accordingly, the Company is considered the legal acquirer and the BioZone Lab Group is considered the accounting acquirer. The current and future financial statements will be those of the BioZone Lab Group.

These consolidated financial statements are presented on the basis that we will continue as a going concern. The going concern concept contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Our current balances of cash will not meet our working capital and capital expenditure needs for the next twelve months. Because we are not currently generating sufficient cash to fund our operations and we have debt that is in default and notes that are due in the third fiscal quarter of 2011, we will need to rely on external financing to meet future operating, debt repayment and capital requirements. These conditions raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of the going concern uncertainty. We are in discussions with bankers and our significant shareholders regarding financing alternatives.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial statements and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the United States Securities and Exchange Commission (“SEC”). Accordingly, they do not contain all information and footnotes required by accounting principles generally accepted in the United States of America for annual financial statements. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. In the opinion of the Company’s management, the accompanying unaudited consolidated financial statements contain all the adjustments necessary (consisting only of normal recurring accruals) to present the financial position of the Company as of June 30, 2011 and the results of operations and cash flows for the periods presented. The results of operations for the three and six months ended June 30, 2011 are not necessarily indicative of the operating results for the full fiscal year or any future period.

Basis of Consolidation

The consolidated financial statements include the accounts of BioZone Pharmaceuticals, Inc. and its subsidiaries, all of which are wholly owned except for BetaZone, which is 45% owned. In addition, the Company consolidates the accounts of 580 Garcia Properties, LLC, (“580 Garcia”) which owns the land and building used by BioZone Labs and is owned by one of the former owners of the BioZone Lab Group. The Company is a guarantor of 580 Garcia’s mortgage loan payable on the property (see Note 8).

Use of Estimates.

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (“GAAP”) 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 dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. These estimates and assumptions include the collectability of accounts receivable and deferred taxes and related valuation allowances. Certain of our estimates, including evaluating the collectability of accounts receivable, could be affected by external conditions, including those unique to our industry, and general economic conditions. It is possible that these external factors could have an effect on our estimates that could cause actual results to differ from our estimates. We re-evaluate all of our accounting estimates at least quarterly based on these conditions and record adjustments when necessary.

Cash and Cash Equivalents.

We consider all short-term highly liquid investments with an original maturity at the date of purchase of three months or less to be cash equivalents.

Revenue Recognition

We follow the guidance of the Securities and Exchange Commission’s Staff Accounting Bulletin (“SAB”) 104 for revenue recognition and Accounting Standards Codification (“ASC”) Topic 605, “Revenue Recognition”. The Company operates as a contract manufacturer and produces finished goods according to customer specifications. The agreements with customers do not contain any rights of return other than for goods that fail to meet the specifications provided by the customer. The Company has not experienced any significant returns from customers and accordingly, in management’s opinion, no reserve for returns is provided. We record revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the selling price to the customer is fixed or determinable and collectability of the revenue is reasonably assured.

Accounts Receivable and Allowance for Doubtful Accounts Receivable

We have a policy of reserving for uncollectible accounts based on our best estimate of the amount of probable credit losses in our existing accounts receivable. We extend credit to our customers based on an evaluation of their financial condition and other factors. We generally do not require collateral or other security to support accounts receivable. We perform ongoing credit evaluations of our customers and maintain an allowance for potential bad debts if required.

We determine whether an allowance for doubtful accounts is required by evaluating specific accounts where information indicates the customers may have an inability to meet financial obligations. In these cases, we use assumptions and judgment, based on the best available facts and circumstances, to record a specific allowance for those customers against amounts due to reduce the receivable to the amount expected to be collected. These specific allowances are re-evaluated and adjusted as additional information is received. The amounts calculated are analyzed to determine the total amount of the allowance. We may also record a general allowance as necessary.

Direct write-offs are taken in the period when we have exhausted our efforts to collect overdue and unpaid receivables or otherwise evaluate other circumstances that indicate that we should abandon such efforts.

Inventories

Inventories are stated at the lower of cost, determined using the weighted average cost method, and net realizable value. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs to complete and dispose of the product.

Fair Value Measurements

We adopted the provisions of ASC Topic 820, “Fair Value Measurements and Disclosures”, which defines fair value as used in numerous accounting pronouncements, establishes a framework for measuring fair value and expands disclosure of fair value measurements.

The estimated fair value of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued expenses are carried at historical cost basis, which approximates their fair values because of the short-term nature of these instruments. The carrying amounts of our short and long term credit obligations approximate fair value because the effective yields on these obligations, which include contractual interest rates taken together with other features such as concurrent issuances of warrants and/or embedded conversion options, are comparable to rates of returns for instruments of similar credit risk.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 — quoted prices in active markets for identical assets or liabilities

Level 2 — quoted prices for similar assets and liabilities in active markets or inputs that are observable

Level 3 — inputs that are unobservable (for example cash flow modeling inputs based on assumptions)

Concentration of Credit Risk

Financial instruments that potentially expose us to concentrations of credit risk consist principally of cash and cash equivalents. We maintain our cash accounts at high quality financial institutions with balances, at times, in excess of federally insured limits. As of June 30, 2011, we had \$1,589,683 of balances in excess of federally insured limits. Management believes that the financial institutions that hold our deposits are financially sound and therefore pose minimal credit risk.

Stock-Based Compensation

We recognize compensation expense for stock-based compensation in accordance with ASC Topic 718. For employee stock-based awards, we calculate the fair value of the award on the date of grant using the Black-Scholes method for stock options and the quoted price of our common stock for unrestricted shares; the expense is recognized over the service period for awards expected to vest. For non-employee stock-based awards, we calculate the fair value of the award on the date of grant in the same manner as employee awards, however, the awards are revalued at the end of each reporting period and the pro rata compensation expense is adjusted accordingly until such time the nonemployee award is fully vested, at which time the total compensation recognized to date equals the fair value of the stock-based award as calculated on the measurement date, which is the date at which the award recipient's performance is complete. The estimation of stock-based awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from original estimates, such amounts are recorded as a cumulative adjustment in the period estimates are revised. We consider many factors when estimating expected forfeitures, including types of awards, employee class, and historical experience.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided for on a straight-line basis over the useful lives of the assets. Expenditures for additions and improvements are capitalized; repairs and maintenance are expensed as incurred.

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of net assets of business purchased. Goodwill is not being amortized but is evaluated for impairment on at least an annual basis.

Impairment of long lived assets

Long-lived assets are reviewed for impairment when circumstances indicate the carrying value of an asset may not be recoverable. For assets that are to be held and used, impairment is recognized when the estimated undiscounted cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Fair values are determined based on quoted market values, discounted cash flows or internal and external appraisals, as applicable. Assets to be disposed of are carried at the lower of carrying value or estimated net realizable value.

Income Taxes

We use the asset and liability method of accounting for income taxes in accordance with ASC Topic 740, "Income Taxes." Under this method, income tax expense is recognized for the amount of: (i) taxes payable or refundable for the current year and (ii) deferred tax consequences of temporary differences resulting from matters that have been recognized in an entity's financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period that includes the enactment date. A valuation allowance is provided to reduce the deferred tax assets reported if based on the weight of the available positive and negative evidence, it is more likely than not some portion or all of the deferred tax assets will not be realized.

ASC Topic 740.10.30 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Topic 740.10.40 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. We have no material uncertain tax positions for any of the reporting periods presented.

NOTE 3 – Acquisition

On May 16, 2011, we acquired the assets and assumed the liabilities of Aero in exchange for a total of 8,331,396 shares of our common stock valued at the estimated value of Aero at the acquisition date. We are in the process of obtaining an independent appraisal of the acquisition price of the assets, which has been estimated at \$2 million. The acquisition was accounted for under the acquisition method of accounting. Accordingly, the purchase price has been allocated to the fair values of tangible and intangible assets acquired and liabilities assumed at the acquisition date as follows:

Financial assets	\$ 608,644
Inventory	92,343
Property and equipment	1,377
Financial liabilities	(1,673)
Total identifiable assets	\$ 700,691
Goodwill	1,299,309
	<u>\$2,000,000</u>

The results of operations of Aero are included in the consolidated statement of operations from its date of acquisition.

NOTE 4 – Property and Equipment

A summary of property and equipment and the estimated useful lives used in the computation of depreciation and amortization is as follows:

<u>Fixed Asset</u>	<u>Useful Life</u>	<u>June 30, 2011</u>	<u>December 31, 2010</u>
Vehicles	5 years	271,607	\$ 271,607
Furniture and Fixtures	10 years	68,462	66,195
Computers	5 years	142,978	142,978
Manufacturing equipment	10 years	3,962,396	3,938,440
Lab Equipment	10 years	413,198	413,198
Leasehold improvements	19 years (remainder of lease)	1,553,910	1,545,758
Building	40 years	571,141	571,141
Land	Not depreciated	380,000	380,000
		<u>7,363,692</u>	<u>7,329,317</u>
Accumulated Depreciation		(4,224,441)	(4,067,184)
Net		<u>\$ 3,139,251</u>	<u>\$ 3,262,133</u>

NOTE 5 – Notes Payable -Bank

Notes Payable - Bank consists of the following:

<u>Notes payable of BioZone Labs</u>	
Borrowings under \$2 million line of credit	\$ 1,378,155
\$800,000 term loan	587,714
<u>Notes payable of Equalan</u>	
\$326,000 term loan	188,252
	<u>\$ 2,154,121</u>

These obligations bear interest at an annual rate of Prime plus 0.5% payable monthly and are collateralized by a first priority lien on all of the borrower's assets. In addition, our President and Chief Scientific Officer and our Executive Vice President, each of whom is a significant shareholder of the Company, have each personally guaranteed full repayment of these loans.

The obligations contain certain negative covenants, including a prohibition on incurring any debt outside of the normal course of business, and certain events of default, including any breach of the negative covenants, certain bankruptcy or insolvency events or a change of ownership of more than 25% of Equalan's common stock. On August 15, 2011, the lender declared the entire unpaid principal amount and accrued interest of these loans immediately due and payable due to the acquisition of the BioZone Lab Group by the Company. The loans are classified as short term liabilities.

NOTE 6 – Convertible Notes Payable

On March 29, 2011, the Company sold 10% secured convertible promissory notes in the amount of \$2,250,000, (the "Bridge Notes") and warrants (the "Warrants") to purchase securities of the Company in the Target Transaction Financing (as defined below), pursuant to a Securities Purchase Agreement entered into on February 28, 2011 (the "Securities Purchase Agreement" and the "Private Placement").

The Bridge Notes mature on the earlier of September 29, 2011 or the closing date of the Target Transaction Financing (such earlier date, the "Maturity Date"). The entire principal amount and any accrued and unpaid interest is due and payable in cash on the Maturity Date.

The principal and interest may not be prepaid except in connection with the consummation of the Target Transaction Financing, in which case the holder may elect either to (i) convert all of the principal and accrued and unpaid interest then outstanding into the securities offered in the Target Transaction Financing at a price per share or unit, as the case may be, equal to 80% of the price at which such securities are sold or (ii) require the Company to repay the principal amount then outstanding and any accrued and unpaid interest in cash. In the event that the Bridge Notes are not prepaid or converted prior to September 29, 2011, the Company is obligated to pay to the holders (in the aggregate) a penalty fee equal to: (i) the principal amount of the Bridge Notes divided by (ii) \$2,000,000 and multiplied by (iii) \$100,000.

We recorded the liability for the Bridge Notes at an amount equal to the full consideration received upon issuance, without considering the Warrant value because the determination of the number of warrants and the exercise price of the warrants is dependent on the closing date of, and the price of securities issued in the Target Transaction Financing, which has yet to take place.

NOTE 7 – Notes Payable - Shareholder

This amount is due to our Executive Vice President for advances made to BioZone Labs , bears interest at a weighted average rate of approximately 10% and is due on demand.

NOTE 8 – Long Term Debt**Notes payable of BioZone Labs**

Capitalized lease obligations bearing interest at rates ranging from 8.6% to 16.3%, payable in monthly installments of \$168 to \$1,589, inclusive of interest	\$ 387,436
City of Pittsburg Redevelopment Agency, 3% interest, payable in monthly installments of \$3,640 inclusive of interest	287,240
Other	95,000

Notes payable of 580 Garcia Properties

Mortgage payable of 580 Garcia collateralized by the land and building, payable in monthly installments of \$20,794, inclusive of interest at 7.24% per annum	2,678,582
	<u>\$ 3,448,258</u>
Less: current portion	236,892
	<u>\$ 3,211,366</u>

NOTE 9 - Warrants

On March 29, 2011, the Company issued warrants to purchase securities of the Company in the Target Transaction Financing (Note 6). The Warrants are immediately exercisable and expire five years after the date of issue. The Warrant has an initial exercise price of 120% of the price of the securities sold in the Target Transaction Financing (the “Financing Share Price”). The Warrant entitles the holder to purchase the number of shares of Common Stock and/or other securities, including units of securities, sold in the Target Transaction equal to the Warrant Coverage (as defined herein) (a) multiplied by the principal amount of the Note (the “Purchase Price”) and (b) divided by the Financing Share Price. “Warrant Coverage” means (i) 50% if closed on or prior to 120 days, (ii) 75% if closed after 120 days but before 150 days and (iii) 100%, if closed after 150 days after the closing of the Private Placement. The Warrant is exercisable in cash or by way of a “cashless exercise” during any period that a registration statement covering the shares of Common Stock and/or other securities issuable upon exercise of the Warrant, or an exemption from registration, is not available. The exercise price of the Warrant is subject to a “ratchet” anti-dilution adjustment for a period of one year from the closing of the Private Placement. This adjustment provides that, in the event that the Company issues certain securities at a price lower than the then applicable exercise price, the exercise price of the Warrant will be immediately reduced to equal the price at which the Company issued the securities.

We have not recorded any amounts in the financial statements for the Warrants because the determination of the number of warrants and the exercise price of the warrants is dependent on the closing date of, and the price of securities issued in the Target Transaction Financing, which has yet to take place.

NOTE 10 – Income Taxes

The Company has not recorded any income tax benefit from net operating loss carryforwards through June 30, 2011 due to the limitation under Internal Revenue Code section 382 that reduces utilizable losses following a greater than 50% ownership change as determined under regulations.

NOTE 11 - Contingencies*Employment Agreements*

On June 30, 2011, the Company entered into three year employment agreements with Brian Keller, Daniel Fisher and Christian Oertle to serve as the Company's President and Chief Scientific Officer, Executive Vice President and Chief Operating Officer, respectively, two of which provide for annual salaries of \$200,000 each and one that provides for an annual salary of \$150,000. Pursuant to the terms of the agreements, each of these Officers is eligible to participate in the Company's long term incentive compensation programs and is entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board, subject to certain claw back rights. The agreements provide for payments of six months' severance in the event of early termination (other than for cause).

Leases

The Company is committed under operating leases for its various properties, which provide for annual rentals of approximately \$372,000 through September 2014. Rental expense charged to operations for the six months ended June 30, 2011 was approximately \$186,000.

NOTE 12 - Subsequent Events

On July 7, 2011, we issued 500,000 shares of our common stock to a consultant in exchange for strategic corporate advisory services.

As of August 15, 2011, BioZone Labs and Equalan, wholly owned subsidiaries of the Company are in default with respect to four promissory notes (the “Notes”) issued to a bank (the “Lender”) with an aggregate amount of principal and interest equal to \$2,043,033 outstanding as of such date.

The default results from the acquisition by the Company of all of the stock of BioZone Labs and Equalan. The Notes contain events of

default, including a change of ownership of more than 25% of BioZone Labs' or Equalan's common stock. The Notes are secured by a first priority lien on all of BioZone Labs' and Equalan's assets. In addition, our President and Chief Scientific Officer and our Executive Vice President, each of whom is a significant shareholder of the Company, have each personally guaranteed full repayment of the Notes. On August 15, 2011, the Lender declared the entire unpaid principal amount and accrued interest of the Notes immediately due and payable (see Note 5).

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our unaudited consolidated financial statements and related notes included in this report. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The statements contained in this report that are not historic in nature, particularly those that utilize terminology such as "may," "will," "should," "expects," "anticipates," "estimates," "believes," or "plans" or comparable terminology are forward-looking statements based on current expectations and assumptions. Various risks and uncertainties could cause actual results to differ materially from those expressed in forward-looking statements.

The forward-looking events discussed in this quarterly report, the documents to which we refer you and other statements made from time to time by us or our representatives, may not occur, and actual events and results may differ materially and are subject to risks, uncertainties and assumptions about us. For these statements, we claim the protection of the "bespeaks caution" doctrine. All forward-looking statements in this document are based on information currently available to us as of the date of this report, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

General

The following discussion and analysis is provided to increase the understanding of, and should be read in conjunction with, our unaudited condensed consolidated financial statements and related notes included elsewhere in this Report. Historical results and percentage relationships among any amounts in these financial statements are not necessarily indicative of trends in operating results for any future period. This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The statements, which are not historical facts contained in this Report, including this Management's discussion and analysis of financial condition and results of operation, and notes to our unaudited condensed consolidated financial statements, particularly those that utilize terminology such as "may" "will," "should," "expects," "anticipates," "estimates," "believes," or "plans" or comparable terminology are forward-looking statements. Such statements are based on currently available operating, financial and competitive information, and are subject to various risks and uncertainties. Future events and our actual results may differ materially from the results reflected in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, dependence on existing and future key strategic and strategic end-user customers, limited ability to establish new strategic relationships, ability to sustain and manage growth, variability of operating results, our expansion and development of new service lines, marketing and other business development initiatives, the commencement of new engagements, competition in the industry, general economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the service requirements of our clients, the potential liability with respect to actions taken by our existing and past employees, risks associated with international sales, and other risks described herein and in our other filings with the Securities and Exchange Commission.

The safe harbor for forward-looking statements provided by Section 21E of the Securities Exchange Act of 1934 excludes issuers of "penny stock" (as defined under Rule 3a51-1 of the Securities Exchange Act of 1934). Our common stock currently falls within that definition.

All forward-looking statements in this document are based on information currently available to us as of the date of this report, and we assume no obligation to update any forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

Overview

Biozone Pharmaceuticals, Inc. (formerly, International Surf resorts, Inc.) was incorporated under the laws of the State of Nevada on December 4, 2006 to operate as an internet-based provider of international surf resorts, camps and guided surf tours. The Company proposed to engage in the business of vacation real estate and rentals related to its surf business and it owns the website isurfresorts.com. During late February 2011, the Company began to explore alternatives to its original business plan. On February 22, 2011, the prior officers and directors resigned from their positions and the Company appointed a new President, Director, principal accounting officer and treasurer and began to pursue opportunities in medical and pharmaceutical technologies and products. On March 1, 2011, the Company changed its name to Biozone Pharmaceuticals, Inc.

Since March 2011, the Company has been engaged primarily in seeking opportunities related to its intention to engage in medical and pharmaceutical businesses. On May 16, 2011, the Company acquired substantially all of the assets and assumed all of the liabilities of Aero Pharmaceuticals, Inc. pursuant to an Asset Purchase Agreement dated as of that date. Aero manufactures markets and distributes a line of dermatological products under the trade name of Baker Cummins Dermatologicals.

On June 30, 2011, we acquired the Biozone Labs Group which operates as a developer, manufacturer, and marketer of over-the-counter drugs and preparations, cosmetics, and nutritional supplements on behalf of health care product marketing companies and national retailers. In addition, we have been developing our proprietary drug delivery technology as an enhancement for approved, generic prescription drugs that are limited due to poor stability or bioavailability or variable absorption.

Results of Operations

Three Months Ended June 30, 2011 Compared to the Three Months Ended June 30, 2010:

Sales. Sales for the three months ended June 30, 2011 and 2010 was \$2,570,936 and 3,142,405 respectively. The decrease in revenue of \$571,469 primarily was attributable to delays in customer orders from decreased end-user demand.

Cost of Sales and Gross Profit. Cost of sales for the three months ended June 30, 2011 and 2010 was \$1,308,278 and \$1,496,158, respectively, resulting in gross profit of \$1,262,658 and \$1,646,247, respectively. The gross profit percentage for the three months ended June 30, 2011 and 2010 was approximately 49% and 52%, respectively. The decrease in gross profit of \$383,589 and resulting decrease in gross profit percentage primarily is attributable to increased raw material costs.

Operating Expenses. We had total operating expenses of \$1,722,374 for the three months ended June 30, 2011 as compared to \$1,453,256 for the three months ended June 30, 2010. The increase in operating expenses of \$269,118 is primarily attributable to legal, accounting, consulting and placement agency fees related to the acquisition of the BioZone Labs Group.

Interest Expense. We incurred interest expense of \$108,686 for the three months ended June 30, 2011 as compared to \$94,490 for the three months ended June 30, 2010. The increase in interest expense of \$14,196 results from increased borrowings.

Net Loss / Income. As a result of the foregoing, we realized a net loss of \$568,402 for the three months ended June 30, 2011 as compared to net income of \$58,961 for the three months ended June 30, 2010, an increase in net loss of \$627,363.

Six Months Ended June 30, 2011 Compared to the Six Months Ended June 30, 2010:

Sales. Sales for the six months ended June 30, 2011 and 2010 was \$5,007,315 and \$6,618,001, respectively. The decrease in revenue of \$1,610,686 primarily was attributable to delays in customer orders from decreased end-user demand

Cost of Sales and Gross Profit. Cost of sales for the six months ended June 30, 2011 and 2010 was \$2,523,364 and \$3,155,186, respectively, resulting in gross profit of \$2,483,951 and \$3,462,815, respectively. The gross profit percentage for the six months ended June 30, 2011 and 2010 was approximately 50% and 52%, respectively. The decrease in gross profit of \$978,864 and resulting decrease in gross profit percentage primarily is attributable to increase in raw material costs.

Operating Expenses. We had total operating expenses of \$3,373,365 for the six months ended June 30, 2011 as compared to \$3,033,022 for the six months ended June 30, 2010. The increase in operating expenses of \$340,343 primarily is attributable to incremental payroll expense at BioZone Labs and legal, accounting, consulting and placement agency fees related to the acquisition of the BioZone Labs Group.

Interest Expense. We incurred interest expense of \$222,195 for the six months ended June 30, 2011 as compared to \$199,727 for the six months ended June 30, 2010. The increase in interest expense results from increased borrowings.

Net Loss / Income. As a result of the foregoing, we realized a net loss of \$1,111,609 for the six months ended June 30, 2011 as compared to net income of \$138,762 for the six months ended June 30, 2010, an increase in net loss of \$1,250,371.

Liquidity and Capital Resources

As of June 30, 2011, our current assets were \$6,443,588, as compared to \$4,195,769 at December 31, 2010. As of June 30, 2011, our current liabilities were \$7,542,531, as compared to \$4,800,757 at December 31, 2010. Operating activities used net cash of \$850,273 for the six months ended June 30, 2011, as compared to using net cash of \$472,516 for the six months ended June 30, 2010.

During the six months ended June 30, 2011, investing activities provided net cash of \$576,344, comprised primarily of cash acquired in connection with the Aero acquisition. During the six months ended June 30, 2010, investing activities used net cash of \$52,558.

During the six months ended June 30, 2011, net cash of \$1,862,139 was provided by financing activities, consisting of proceeds from the issuance of convertible notes of \$2,250,000, offset by financing costs of \$150,364 and repayments of existing debt of \$234,755, as compared to net cash provided by financing activities of \$148,622 during the comparable six-month period ended June 30, 2010, which consisted of net advances from a shareholder of \$367,444, offset by repayments of existing debt of \$218,822.

Our net loss for the year ended December 31, 2010 and the six months ended June 30, 2011 was \$458,287 and \$1,111,609, respectively. We anticipate that we will continue to generate losses from operations for the foreseeable future as we invest in research and development activities in furtherance of our business plan of advancing our drug delivery technology. As of June 30, 2011, we had cash and cash equivalents of \$1,839,685 and negative working capital of \$1,098,943.

As of August 15, 2011, BioZone Labs and Equalan are in default with respect to four promissory notes (the "Notes") issued to a financial institution (the "Lender") with an aggregate amount of principal and interest equal to \$2,043,033 outstanding as of such date.

The default results from the acquisition by the Company of all of the stock of BioZone Labs and Equalan. The Notes contain events of default, including a change of ownership of more than 25% of BioZone Labs' or Equalan's common stock. The Notes are secured by a first priority lien on all of BioZone Labs' and Equalan's assets. In addition, our President and Chief Scientific Officer and our Executive Vice President, each of whom is a significant shareholder of the Company, have each personally guaranteed full repayment of the Notes. On August 15, 2011, the Lender declared the entire unpaid principal amount and accrued interest of the Notes immediately due and payable. We are in discussions with several of our significant shareholders regarding securing financing to repay these Notes.

On March 29, 2011, we sold \$2,250,000 of 10% secured convertible bridge notes due on September 29, 2011.

Our current balances of cash will not meet our working capital and capital expenditure needs for the next twelve months. Because we are not currently generating sufficient cash to fund our operations and we have debt that is in default and notes that are due in the third fiscal quarter of 2011, we will need to rely on external financing to meet future operating, debt repayment and capital requirements. Any projections of future cash needs and cash flows are subject to substantial uncertainty. We can make no assurance that financing will be available in amounts or on terms acceptable to us, if at all. Further, if we issue equity securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences, or privileges senior to those of existing holders of common stock, and debt financing, if available, may involve restrictive covenants that could restrict our operations or finances. If we cannot raise funds, when needed, on acceptable terms, we may not be able to continue our operations, grow market share, take advantage of future opportunities, or respond to competitive pressures or unanticipated requirements, all of which could negatively impact our business, operating results, and financial condition. These conditions raise substantial doubt about our ability to continue as a going concern. We are in discussions with bankers and our significant shareholders regarding financing alternatives and we believe that actions presently being taken to revise the Company's operating and financial requirements provide the opportunity for the Company to continue as a going concern.

Off-Balance Sheet Arrangements

As of June 30, 2011, we had no material off-balance sheet arrangements other than operating leases.

Contractual Obligations

On June 30, 2011, the Company entered into three year employment agreements with each of its President/Chief Scientific Officer, Executive Vice President and Chief Operating Officer, who are also shareholders of the Company. Two of such employment agreements provide for annual salaries of \$200,000 each and one that provides for an annual salary of \$150,000. Pursuant to the terms of the agreements, each of these officers is eligible to participate in the Company's long term incentive compensation programs and is entitled to an annual bonus if the Company meets or exceeds criteria adopted by the Compensation Committee of the Board, subject to certain claw back rights. The agreements provide for payments of six months' severance in the event of early termination (other than for cause).

Critical Accounting Policies and Estimates

See Notes to the Consolidated Financial Statements, NOTE 2 - Summary of Significant Accounting Policies

ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide the information required by this item.

ITEM 4 – CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, under the supervision and with the participation of our Chief Executive Officer, who is also our Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of June 30, 2011. Based upon that evaluation and the identification of the material weakness in the Company's internal control over financial reporting, the Chief Executive Officer concluded that the Company's disclosure controls and procedures were ineffective as of the end of the period covered by this report.

The reason for the ineffectiveness of our disclosure controls and procedures was the result of the lack of segregation of duties and responsibilities with respect to our cash control over the disbursements related thereto. The lack of segregation of duties resulted from our limited accounting staff.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 under the Exchange Act that occurred during the quarter ended June 30, 2011 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1 – LEGAL PROCEEDINGS

None.

ITEM 1A – RISK FACTORS

As a “small reporting company” as defined by Item 10 of Regulation S-K, we are not required to provide information required by this item.

ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS (what about the consulting shares mentioned in the financial notes- should include here as I don’t believe they were ever disclosed in an 8K)

On May 16, 2011, we issued 7,724,000 shares of our restricted common stock in connection with the acquisition of substantially all of the assets and assumption of all of the liabilities of Aero Pharmaceuticals, Inc. (formerly, Center Pharmaceuticals, Inc.; “Aero”) pursuant to an Asset Purchase Agreement dated as of May 16, 2011. Also, we agreed to issue additional shares to Aero on the basis of one share for (A) each dollar of current assets transferred to us at the closing, as set forth on the closing date balance sheet of Aero, to be delivered following the closing, and (B) each dollar of costs incurred by Aero for liquidation, certain income taxes and perfected or settled dissenters’ rights of appraisal, up to a maximum of an additional 7,500,000 shares. On June 1, 2011, we issued an additional 607,396 shares to Aero.

On June 30, 2011, we acquired: (i) 100% of the outstanding common stock of BioZone Labs in exchange for 19,266,055 shares of our common stock; (ii) 100% of the outstanding membership interests of Equalan and Equachem, in exchange for 1,027,523 and 385,321 shares of our common stock, respectively; and (iii) 45% of the outstanding membership interests of BetaZone in exchange for 321,101 shares of our common stock.

On July 7, 2011, we issued 500,000 shares of our common stock to a consultant in exchange for strategic corporate advisory services.

The above transactions did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

ITEM 3 – DEFAULT UPON SENIOR SECURITIES

As of August 15, 2011, BioZone Labs and Equalan are in default with respect to four promissory notes (the “Notes”) issued to a financial institution (the “Lender”) with an aggregate amount of principal and interest equal to \$2,043,033 outstanding as of such date.

The default results from the acquisition by the Company of all of the stock of BioZone Labs and Equalan. The Notes contain events of default, including a change of ownership of more than 25% of BioZone Labs’ or Equalan’s common stock. The Notes are secured by a first priority lien on all of BioZone Labs’ and Equalan’s assets. In addition, our President and Chief Scientific Officer and our Executive Vice President, each of whom is a significant shareholder of the Company, have each personally guaranteed full repayment of the Notes. On August 15, 2011, the Lender declared the entire unpaid principal amount and accrued interest of the Notes immediately due and payable. We are in discussions with several of our significant shareholders regarding securing financing to repay these Notes.

ITEM 4 – REMOVED AND RESERVED

ITEM 5 – OTHER INFORMATION

None

ITEM 6 – EXHIBITS

31.1 Certification pursuant to Section 302 of Sarbanes Oxley Act of 2002

32.1 Certification Pursuant to 18 U.S.C. Section 1350

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Biozone Pharmaceuticals, Inc.

Dated: August 22, 2011

By: /s/ Elliot Maza
Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial and
Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Elliot Maza, certify that:

1. I have reviewed this report on Form 10-Q of Biozone Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 22, 2011

/s/ Elliot Maza

Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Biozone Pharmaceuticals, Inc., a Nevada corporation (the "Company"), on Form 10-Q for the period ended June 30, 2011, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Elliot Maza, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Dated: August 22, 2011

/s/ Elliot Maza

Chief Executive Officer and Chief Financial Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)