CONFIDENTIAL LIMITED OFFERING MEMORANDUM

Confidential Number:

IMMUNE MODULATION INC. (IMI)

$6,000,000

2,000,000 shares of Common Stock ("Shares")
$3.00 per share
Minimum Offering Amount: 1,000,000 Shares
25,000 shares ($75,000.00) Minimum Subscription (1)

Immune Modulation Inc. ("IMI"), a Delaware Corporation, is offering 2,000,000 shares of Common Stock for $3.00 per share.
The offering price per share has been arbitrarily determined by the Company - See Risk Factors: Offering Price.

THESE ARE SPECULATIVE SECURITIES WHICH INVOLVE A HIGH DEGREE OF RISK. ONLY THOSE INVESTORS WHO CAN BEAR THE LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST IN THESE SHARES.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), THE SECURITIES LAWS OF THE STATE OF DELAWARE, OR UNDER THE SECURITIES LAWS OF ANY OTHER STATE OR JURISDICTION IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED BY THE ACT AND REGULATION D RULE 506 PROMULGATED THEREUNDER, AND THE COMPARABLE EXEMPTIONS FROM REGISTRATION PROVIDED BY OTHER APPLICABLE SECURITIES LAWS.

	Sale Price	Selling Commissions (1)	Proceeds To Company (2)
Per Share	$3.00	$0.30	$2.70
Minimum	$3,000,000	$300,000	$2,700,000
Maximum	$6,000,000	$600,000	$5,400,000

(Footnotes On Page 2)

Immune Modulation Inc. (IMI)
2273 South Cactus Avenue, Suite B
Bloomington, CA 92316

The Date of this Memorandum is February 1, 2006

(1) The Company reserves the right to waive the 25,000 Share minimum subscription for any investor. The Offering is not underwritten. The Shares are offered on a "best efforts" basis by the Company through its officers and directors. The Company has set a minimum offering amount of 1,000,000 Shares with minimum gross proceeds of $3,000,000 for this Offering. All proceeds from the sale of Shares up to $3,000,000 will be deposited in an escrow account. Upon the sale of $3,000,000 of Shares, all proceeds will be delivered directly to the Company's corporate account and be available for use by the Company at its discretion (Florida, Georgia, and Pennsylvania Residents see NASAA Legend). Shares may also be sold by NASD member brokers or dealers who enter into a Participating Dealer Agreement with the Company, who will receive commissions of up to 10% of the price of the Shares sold. The Company reserves the right to pay expenses related to this Offering from the proceeds of the Offering. See "Plan of Placement and Use of Proceeds."

(2) The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Shares have been sold, or (c) **May 1, 2006,** or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the "Offering Period".)

THIS OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE HAS BEEN ARBITRARILY SET BY THE MANAGEMENT OF THE COMPANY. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THESE SECURITIES HAVE NOT BEEN SO REGISTERED, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD PROCEED ON THE ASSUMPTION THAT HE MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, SINCE THE SECURITIES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE APPLICABLE SECURITIES ACTS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS NO TRADING MARKET FOR THE COMPANY'S SECURITIES AND THERE CAN BE NO ASSURANCE THAT ANY MARKET WILL DEVELOP IN THE FUTURE OR THAT THE SECURITIES WILL BE ACCEPTED FOR INCLUSION ON NASDAQ OR ANY OTHER TRADING EXCHANGE AT ANY TIME IN THE FUTURE. THE COMPANY IS NOT OBLIGATED TO REGISTER FOR SALE UNDER EITHER FEDERAL OR STATE SECURITIES LAWS THE SECURITIES PURCHASED PURSUANT HERETO, AND THE ISSUANCE OF THE SECURITIES IS BEING UNDERTAKEN PURSUANT TO RULE 506 OF REGULATION D UNDER THE SECURITIES ACT. ACCORDINGLY, THE SALE, TRANSFER, OR OTHER DISPOSITION OF ANY OF THE SHARES WHICH ARE PURCHASED PURSUANT HERETO MAY BE RESTRICTED BY APPLICABLE FEDERAL OR STATE SECURITIES LAWS (DEPENDING ON THE RESIDENCY OF THE INVESTOR) AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT REFERRED TO HEREIN. THE OFFERING PRICE OF THE SECURITIES HAS BEEN ARBITRARILY ESTABLISHED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OR POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

No person is authorized to give any information or make any representation not contained in the Memorandum and any information or representation not contained herein must not be relied upon. Nothing in this Memorandum should be construed as legal or tax advice.

All of the information provided herein has been provided by the Management of the Company. The Company makes no express or implied representation or warranty as to the completeness of this information or, in the case of projections, estimates, future plans, or forward looking assumptions or statements, as to their attainability or the accuracy and completeness of the assumptions from which they are derived, and it is expected that each prospective investor will pursue his, her, or its own independent investigation. It must be recognized that estimates of the Company's performance are necessarily subject to a high degree of uncertainty and may vary materially from actual results.

No general solicitation or advertising in whatever form will or may be employed in the offering of the securities, except for this Memorandum (including any amendments and supplements hereto), the exhibits hereto and documents summarized herein, or as provided for under Regulation D of the Securities Act of 1933. Other than the Company's management, no one has been authorized to give any information or to make any representation with respect to the Company or the Securities that is not contained in this Memorandum. Prospective investors should not rely on any information not contained in this Memorandum.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction in which such offer or solicitation would be unlawful or is not authorized or in which the person making such offer or solicitation is not qualified to do so.

This Memorandum does not constitute an offer if the prospective investor is not qualified under applicable securities laws.

This offering is made subject to withdrawal, cancellation, or modification by the Company without notice and solely at the Company's discretion. The Company reserves the right to reject any subscription or to allot to any prospective investor less than the number of shares subscribed for by such prospective investor.

This Memorandum has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company. Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise them with respect thereto is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents without the prior written consent of the Company is strictly prohibited. Each prospective investor, by accepting delivery of this Memorandum, agrees to return it and all other documents received by them to the Company if the prospective investor's subscription is not accepted or if the Offering is terminated.

By acceptance of this Memorandum, prospective investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of the Shares. The contents of this Memorandum should not be considered to be investment, tax, or legal advice and each prospective investor should consult with their own counsel and advisors as to all matters concerning an investment in this Offering.

NASAA LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES MAY BE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER FEDERAL AND STATE SECURITIES LAWS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

FOR FLORIDA RESIDENTS ONLY:

EACH FLORIDA RESIDENT WHO SUBSCRIBES FOR THE PURCHASE OF SECURITIES HEREIN HAS THE RIGHT, PURSUANT TO SECTION 517.061(11)(A)(5) OF THE FLORIDA SECURITIES ACT, TO WITHDRAW HIS SUBSCRIPTION FOR THE PURCHASE AND RECEIVE A FULL REFUND ON ALL MONIES PAID WITHIN THREE BUSINESS DAYS AFTER THE EXECUTION OF THE SUBSCRIPTION AGREEMENT OR PAYMENT FOR THE PURCHASE HAS BEEN MADE, WHICHEVER IS LATER. WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, A SUBSCRIBER NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY AT THE ADDRESS SET FORTH IN THIS CONFIDENTIAL TERM SHEET INDICATING HIS, HER, OR ITS INTENTION TO WITHDRAW.

SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED THIRD BUSINESS DAY. IT IS ADVISABLE TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. IF THE REQUEST IS MADE ORALLY, IN PERSON OR BY TELEPHONE TO AN OFFICER OF THE COMPANY, A WRITTEN CONFIRMATION THAT THE REQUEST HAS BEEN RECEIVED SHOULD BE REQUESTED.

FOR NEW JERSEY RESIDENTS ONLY

THIS OFFERING IS MADE IN RELIANCE UPON NEW JERSEY STATE SECURITIES STATUTES. THE NAMES, ADDRESSES, AND NUMBER OF SHARES AND AMOUNT PAID WILL BE FILED WITH THE STATE OF NEW JERSEY WITHIN 30 DAYS OF THE CLOSE OF THIS OFFERING. THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY FILING OF THIS OFFERING DOCUMENT WITH THE BUREAU OF SECURITIES DOES NOT CONSTITUTE APPROVAL OF THE ISSUE OR THE SALE THEREOF BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEW JERSEY. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR PENNSYLVANIA RESIDENTS ONLY

PURSUANT TO SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, "EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 209(D), DIRECTLY FROM THE ISSUER OR AFFILIATE OF THE ISSUER, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY), OR ANY OTHER PERSON WITHIN 2 BUSINESS DAYS AFTER THE ISSUER RECEIVES A SIGNED SUBSCRIPTION AGREEMENT." TO ACCOMPLISH THIS WITHDRAWAL, THE COMPANY RECOMMENDS THAT A SUBSCRIBER SEND A LETTER OR TELEGRAM INDICATING HIS OR HER INTENTION TO WITHDRAW TO THE COMPANY AT THE ADDRESS OF THE COMPANY SET FORTH IN THIS MEMORANDUM. SUCH A LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF A SUBSCRIBER ELECTS TO SEND SUCH A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED OR REGISTERED MAIL AND RETURN RECEIPT REQUESTED, TO INSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME WHEN IT WAS MAILED.

SHOULD A SUBSCRIBER MAKE THIS REQUEST ORALLY, THE COMPANY RECOMMENDS THAT HE/SHE REQUEST A WRITTEN CONFIRMATION FROM THE COMPANY THAT THE REQUEST HAS BEEN RECEIVED WITHIN THE PRESCRIBED TIME.

FOR CONNECTICUT RESIDENTS ONLY

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SECTION 36-485 OF THE CONNECTICUT UNIFORM SECURITIES ACT AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER SUCH ACT OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR NEW YORK RESIDENTS ONLY

THIS OFFERING MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR OKLAHOMA RESIDENTS ONLY

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE OKLAHOMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE OKLAHOMA SECRETARY OF STATE OR WITH THE SECURITIES AND EXCHANGE COMMISSION.

NEITHER THE SECRETARY OF STATE NOR THE SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, NOR HAS APPROVED OR DISAPPROVED OF THIS OFFERING. THE SECRETARY OF STATE DOES NOT RECOMMEND THE PURCHASE OF THESE OR ANY OTHER SECURITIES.

THERE IS NO ESTABLISHED MARKET FOR THESE SECURITIES AND THERE MAY NOT BE ANY MARKET FOR THESE SECURITIES IN THE FUTURE. THE SUBSCRIPTION PRICE OF THE SECURITIES HAS BEEN ARBITRARILY DETERMINED BY THE ISSUER AND MAY NOT BE AN ACCURATE INDICATION OF THE ACTUAL VALUE OF THE SECURITIES.

THE PURCHASER OF THESE SECURITIES MUST MEET CERTAIN SUITABILITY STANDARDS AND MUST BE ABLE TO BEAR AN ENTIRE LOSS OF HIS OR HER INVESTMENT. THESE SECURITIES MAY NOT BE TRANSFERRED FOR A PERIOD OF ONE YEAR EXCEPT IN A TRANSACTION THAT IS EXEMPT UNDER THE OKLAHOMA SECURITIES ACT OR IN A TRANSACTION THAT IS IN COMPLIANCE WITH THE OKLAHOMA SECURITIES ACT.

FOR CALIFORNIA RESIDENTS ONLY

THE PURCHASER MUST REPRESENT THAT HE IS PURCHASING FOR HIS OWN ACCOUNT (OR A TRUST ACCOUNT IF HE IS A TRUSTEE) AND NOT WITH A VIEW TO OR FOR SALE IN CONNECTION WITH THE OFFER AND SALE OF THE SECURITY; AND NO ADVERTISING IS USED IN CONNECTION WITH THE OFFER AND SALE OF THE SECURITY. A NOTICE, CONSENT TO SERVICE OF PROCESS, AND A FILING FEE MUST BE FILED WITH THE COMMISSIONER NO LATER THAN 15 CALENDAR DAYS AFTER THE FIRST SALE OF A SECURITY IN THIS STATE. IF IN CONNECTION WITH THE TRANSACTION THE ISSUER IS FILING A NOTICE WITH THE SEC PURSUANT TO SECTION 4(6) OR REGULATION D, THE NOTICE TO CALIFORNIA MAY BE A COPY OF THE FORM FIRST FILED PURSUANT TO SECTION 4(6) OR REGULATION D. OTHERWISE, THE NOTICE SHALL BE IN THE FORM SPECIFIED IN RULE 260.102.14 OF THE CALIFORNIA CODE. NO NOTICE IS REQUIRED IF NONE OF THE SECURITIES ARE PURCHASED.

FOR NEVADA RESIDENTS ONLY

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE NEVADA UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

During the course of the Offering and prior to any sale, each offeree of the Shares and his or her professional advisor(s), if any, are invited to ask questions concerning the terms and conditions of the Offering and to obtain any additional information necessary to verify the accuracy of the information set forth herein. Such information will be provided to the extent the Company possess such information or can acquire it without unreasonable effort or expense.

EACH PROSPECTIVE INVESTOR WILL BE GIVEN AN OPPORTUNITY TO ASK QUESTIONS OF, AND RECEIVE ANSWERS FROM, MANAGEMENT OF THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND TO OBTAIN ANY ADDITIONAL INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORTS OR EXPENSE, NECESSARY TO VERIFY THE ACCURACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. IF YOU HAVE ANY QUESTIONS WHATSOEVER REGARDING THIS OFFERING, OR DESIRE ANY ADDITIONAL INFORMATION OR DOCUMENTS TO VERIFY OR SUPPLEMENT THE INFORMATION CONTAINED IN THIS MEMORANDUM, PLEASE WRITE OR CALL:

Immune Modulation Inc. (IMI)
2273 South Cactus Avenue, Suite B
P.O. Box 998
Bloomington, CA 92316-0998 (909) 877-4579

IMMUNE MODULATION, INC.

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PART A

Summary of the Offering

The following material is intended to summarize information contained elsewhere in this Limited Offering Memorandum (the "Memorandum"). This summary is qualified in its entirety by express reference to this Memorandum and the materials referred to and contained herein. Each prospective subscriber should carefully review the entire Memorandum and all materials referred to herein and conduct his or her own due diligence before subscribing for Shares.

The Company

Immune Modulation, Inc. ("IMI"), began operations in November 1995, with the purpose to research and develop pharmaceutical drugs and license to large pharmaceutical companies through direct licensing agreements. The Company's legal structure was formed as a C corporation under the laws of the State of Delaware on October 8, 1997. Its principal offices are presently located at 2273 South Cactus Avenue, Suite B, Bloomington, CA 92316. The Company's telephone number is (909) 877-4579. The President of the Company is Emmanuel A. Ojo-Amaize, Ph.D.

Operations

The need for better-tolerated, more effective and less toxic immunosuppressive, anti-cancer and anti-viral therapeutics is being fueled by the escalating demand for organ transplants, the increasing incidence of several types of cancer and the increasing prevalence of viral infections such as the human immunodeficiency virus (HIV), herpes, hepatitis and other viruses.

The goal of IMI is to develop novel, well-tolerated, non-toxic and orally bio-available effective therapeutic agents from natural and synthetic sources for use in the prevention of graft rejection, and related diseases, and in the treatment of autoimmune diseases such as rheumatoid arthritis, systemic lupus erythematosus (SLE), atherosclerosis, psoriasis, diabetes, viral infections and cancer. To this end, IMI has developed, within the last ten years, one lead compound, hypoestoxide (JO-4) and two compounds, HE-33 and JO-4A which are in the pipeline. IMI intends to file an "Investigational New Drug" application (IND) with the U.S. Food and Drug Administration (FDA) for use of the lead compound, JO-4, against **melanoma** and **inflammatory diseases,** specifically **arthritis** and **psoriasis**. Beyond the initial focus on the aforementioned indications, IMI has expanded its research on JO-4, to include broad - spectrum anti-viral and anti-cancer activities such as: HIV, Herpes, colon, lung, breast and brain cancers respectively.

IMI is at the end of its pre-clinical testing phase where it is seeking additional funds **($3-6 million),** for further development of JO-4 in order to initiate its IND application to the FDA.

Preliminary animal studies conducted to date with JO-4 in relation to cancer and anti-inflammation, indicate that the compound is orally bio-available, well tolerated, and **highly effective at very low doses**. The anti-cancer activity of JO-4 is mediated through its ability to shut off blood supply to the cancer cell, a process known as **anti-**

angiogenesis. In regard to its anti-inflammatory activity, JO-4 is the first and only NSAID (Non-Steroidal Anti-Inflammatory Drug) that does **not** inhibit Cox enzymes. This is definitely a huge advantage over all other NSAIDs in the market.

To date, IMI has filed **six** U.S. patents and **two** worldwide patents for its novel technologies. All six U.S. patents have already been issued. The two worldwide patent applications have been published, and are pending in each of the designated foreign countries.

IMI is a Research and Development Company organized primarily to conduct research, and develop pharmaceutical drugs in the areas of transplantation, inflammation, oncology and virology. IMI's ownership is privately held.

IMI was founded in 1995 to study natural products from Africa. One such product, **hypoestoxide**, is the lead product. Hypoestoxide is presently at the end of the pre-clinical testing phase. Completion of this phase will enable IMI to apply for IND to conduct a Phase I clinical trial. Upon receipt of the IND, IMI will out-license hypoestoxide to a large pharmaceutical company and/or seek Under-Writers' backing for an IPO.

Management

Dr. Ojo-Amaize was Director, Cellular Immunology Research at Specialty Laboratories, Inc., a world leader in clinical laboratory testing on normal and aberrant immune responses to diseases **Emmanuel A. Ojo-Amaize, Ph.D., Founder, President & Chief Executive Officer**. While at Specialty, he developed and patented novel clinical technologies for the diagnosis of aberrant immune responses to silicone in women with silicone breast implants. His work on silicone and beryllium disease produced annual sales of $10.5 million. He previously held executive and management positions at ICN Pharmaceuticals, Inc., where he directed the development of novel small molecular weight synthetic nucleosides for immunomodulatory applications and managed a departmental annual budget of $3 million. Prior to ICN, Dr. Ojo-Amaize was an NIH Senior Clinical Immunology fellow at the University of California, Los Angeles (UCLA) School of Medicine (under the auspices of Professor John L. Fahey), where he developed novel technologies to assess the role of antibodies in HIV infection for which he received a California State AIDS Task Force Award of $200,000. He has had over twenty-five years of experience managing the discovery and development of pharmaceuticals and novel diagnostic products enabling life science technologies. Dr. Ojo-Amaize currently serves as a volunteer faculty in the University of Southern California (USC) School of Medicine. He is the author of over 50 publications in peer-reviewed medical journals. Dr. Ojo-Amaize received his B.A. degree in Biology from Prescott College, Prescott, Arizona, a Ph.D. degree in Cellular Immunology from Uppsala University Biomedical Center, Uppsala, Sweden (under Professor Hans Wigzell, now President of Karolinska Institute in Stockholm) and a Postdoctoral training (under Professor Ruth Nussenzweig) in Molecular Immunology & Parasitology from New York University School of Medicine, New York, NY. He was the recipient of several prestigious Fellowship Awards including the Rockefeller Foundation, World Health Organization, the National Cancer Institute, and the Swedish Agency for Research and Co-operation with Developing Countries (SAREC). He is a member of the American Association for the Advancement

of Science, New York Academy of Sciences, Scandinavian Society for Immunology and the Association of Medical Laboratory Immunologists. He is certified as a Laboratory Director in Cellular & Diagnostic Immunology by the New York State Department of Health.

Howard B. Cottam, Ph.D., Co-Founder, Vice President
Dr. Cottam was most recently Director, Medicinal Chemistry, at The Sam and Rose Stein Institute for Research on Aging at the University of California, San Diego, CA. He previously held an executive position at ICN Pharmaceuticals, Inc., where he directed the synthesis of novel small molecular weight nucleosides with immunomodulatory, anti-tumor, anti-viral and/or anti-parasitic properties. Dr. Cottam has served as a consultant to Specialty Laboratories, Inc. and ICN Pharmaceuticals. He is the author of over 50 publications in peer-reviewed medical and chemistry journals.

He has had over fifteen years of experience managing the discovery and development of numerous medicinal products. Dr. Cottam received his B.S. degree in Chemistry from Arizona State University in Tempe, Arizona, a Ph.D. in Organic Chemistry from Brigham Young University, and postdoctoral training in Medicinal Chemistry from the Brigham Young University Cancer Research

Emeka J. Nchekwube, M.D., Medical Director
Dr. Nchekwube currently serves as the Medical Director of IMI and he is also in private practice as a Neurosurgeon. He is on the Board of Directors of several firms including IMI, Providence Farms Inc., and Beacon Diagnostics. Dr. Nchekwube has had more than twenty years of experience in the areas of immunodiagnosis, neurology and therapeutics.

He received his B.S. degree in Chemistry with honors from Central Michigan University, an M.D. from Wayne State University School of Medicine in Detroit, Michigan and residency training in Neurosurgery from Wayne State University. Dr. Nchekwube is an active member of several professional societies including: American Medical Association, California Medical Association, Congress of Neurological Surgeons and American Association of Neurological Surgeons.

Olusola A. Oyemade, M.D., M.P.H., Director
Dr. Oyemade currently serves as a Director in IMI and he is also in private practice as a Pediatrician. He is on the Board of Directors of several organizations including IMI, American Academy of Pediatrics, Ch. 2, California, Association of Nigerian Physicians in the Americas. He has had more than twenty years of experience in the areas of pediatric nephrology and public health. Prior academic positions held, include Asst. Clinical Instructorship at the University of Buffalo, Buffalo, NY, Asst. Professorships in pediatrics at Meharry Medical College, Nashville, TN, Vanderbilt University and Howard University respectively. He received his M.B.; ChB degree from the University of Edinburgh, Edinburgh, Scotland and a Masters of Public Health degree (M.P.H.) from Johns Hopkins University School of Public Health and fellowship training in Pediatric Nephrology from Georgetown University Medical Center and Children's Hospital at Los Angeles. He is a member of the American Academy of Pediatrics and the West African College of Physicians.

Joseph I. Okogun, Ph.D., Director

Dr. Okogun was most recently a Consultant Professor of Natural Products Chemistry and Herbal Medicine at the Nigerian National Institute for Pharmaceutical Research and Development (NIPRD). Prior to NIPRD, he was Professor of Organic Chemistry at the University of Ibadan, Nigeria, where he established himself as a world leader in Natural Products Chemistry. He discovered several noted natural products including **hypoestoxide**, anti-sickling, anti-malarial and anti-convulsion drugs. Dr. Okogun received his B.Sc. degree(with First Class Honors) in Chemistry from the University of Ibadan, Nigeria, a Ph.D. in Chemistry from the University of London (University of Ibadan College of the University of London) and Postdoctoral training in chemistry from Imperial College of Sciences and Technology, London, and Texas A&M under the Late Sir Derek Barton, the 1969 Nobel Laureate in Chemistry. He was the recipient of several prestigious fellowship awards including Alexander von Humboldt, Commonwealth Academy, and Tiearztlichen Hochschule, Hannover, Germany. He is on the Board of Directors of IMI (Nigeria) Ltd, and Bevekt Gedu Chemical Company. He is the author of over seventy publications in peer-reviewed chemistry and Natural products chemistry journals. He is a member of several chemical societies including the Chemical Society of Nigeria, African Academy of Sciences, Nigerian Society of Pharmacognosy, Royal Society of Chemistry (U.K.) and the American Society of Pharmacognosy.

SEE “PART B - BUSINESS PLAN.”

Business Plan

IMI’s Business Plan, included as Part B of this Memorandum, was prepared by the Company using assumptions set forth in the Business Plan, including several forward looking statements. Each prospective investor should carefully review the Business Plan before purchasing Shares. Management makes no representations as to the accuracy or achievability of the underlying assumptions and projected results contained herein.

The Offering

The Company is offering between 1,000,000 and 2,000,000 Shares of Common Stock at a price of $3.00 per Share, $0.001 par value. Upon completion of the Offering between 7,578,753 and 8,578,753 shares will be issued and outstanding. Each purchaser must execute a Subscription Agreement making certain representations and warranties to the Company, including such purchaser’s qualifications as an Accredited Investor as defined by the Securities and Exchange Commission in Rule 501(a) of Regulation D promulgated, or one of 35 Non-Accredited Investors that may be allowed to purchase Shares in this offering. SEE “REQUIREMENTS FOR PURCHASERS.”

Risk Factors

See “RISK FACTORS” in this Memorandum for certain factors that could adversely affect an investment in the Shares. Those factors include reliance on one main distributor, reliance on management, and unanticipated obstacles to execution of the Business Plan.

Use of Proceeds

Proceeds from the sale of Shares will be used to pay for contractual services for the isolation and purification of GMP grade hypoestoxie, for contractual costs of conducting ADMET and PK studies, and for general operating costs, including salaries, travel, insurance, shipping and patent maintenance. SEE “USE OF PROCEEDS.”

Minimum Offering Proceeds - Escrow of Subscription Proceeds

The Company has set a minimum offering proceeds figure of $3,000,000 (the “minimum offering proceeds”) for this Offering. The Company has established an Investment Holding Account with **BANK OF THE WEST (770 S. CITRUS AVE. COVINA, CA 91723, ESCROW ACCOUNT # 677-080293 and the ROUTING # 12110782),** into which the minimum offering proceeds will be placed. At least 1,000,000 Shares must be sold for $3,000,000 before such proceeds will be released from the escrow account and utilized by the Company. After the minimum number of Shares is sold, all subsequent proceeds from the sale of Shares will be delivered directly to the Company. SEE “PLAN OF PLACEMENT - ESCROW ACCOUNT ARRANGEMENT.”

Stockholders

Upon the sale of the maximum number of Shares from this Offering, the number of issued and outstanding shares of the Company’s stock will be held as follows:

	Maximum
Present Shareholders	76.7%
New Shareholders	23.3%

Registrar

The Company will serve as its own registrar and transfer agent with respect to its Shares of Common Stock.

Subscription Period

The Offering will terminate on the earliest of: (a) the date the Company, in its discretion, elects to terminate, or (b) the date upon which all Shares have been sold, or (c) May 1, 2006, or such date as may be extended from time to time by the Company, but not later than 180 days thereafter (the “Offering Period”).

Requirements for Purchasers

Prospective purchasers of the Shares offered by this Memorandum should give careful consideration to certain risk factors described under "RISK AND OTHER IMPORTANT FACTORS," and especially to the speculative nature of this investment and the limitations described under that caption with respect to the lack of a readily available market for the Shares and the resulting long term nature of any investment in the Company. This Offering is available only to suitable Accredited Investors, or one of 35 Non-Accredited Investors that may be allowed to purchase Shares, having adequate means to assume such risks and of otherwise providing for their current needs and contingencies should consider purchasing Shares.

General Suitability Standards

The Shares will not be sold to any person unless such prospective purchaser or his or her duly authorized representative shall have represented in writing to the Company in a Subscription Agreement that:

(a) The prospective purchaser has adequate means of providing for his or her current needs and personal contingencies and has no need for liquidity in the investment of the Shares;

(b) The prospective purchaser's overall commitment to investments which are not readily marketable is not disproportionate to his, her, or its net worth and the investment in the Shares will not cause such overall commitment to become excessive; and

(c) The prospective purchaser is an "Accredited Investor" (as defined below) suitable for purchase in the Shares.

Each person acquiring Shares will be required to represent that he, she, or it is purchasing the Shares for his, her, or its own account for investment purposes and not with a view to resale or distribution. See "SUBSCRIPTION FOR SHARES."

Accredited Investors

The Company will conduct the Offering in such a manner that Shares may be sold only to "Accredited Investors" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933 (the "Securities Act"), or to a maximum of 35 Non-Accredited Investors that may be allowed to purchase Shares in this offering. In summary, a prospective investor will qualify as an "Accredited Investor" if he, she, or it meets any one of the following criteria:

(a) Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase, exceeds $1,000,000;

(b) Any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in

each of those years and who has a reasonable expectation of reaching the same income level in the current year;

(c) Any bank as defined in Section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934 (the "Exchange Act"); any insurance company as defined in Section 2(13) of the Exchange Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company (SBIC) licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of $5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment advisor, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self directed plan, with investment decisions made solely by persons who are Accredited Investors;

(d) Any private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;

(e) Any organization described in Section 501(c)(3)(d) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000;

(f) Any director or executive officer, or general partner of the issuer of the securities being sold, or any director, executive officer, or general partner of a general partner of that issuer;

(g) Any trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(b)(2)(ii) of Regulation D adopted under the Act; and

(h) Any entity in which all the equity owners are Accredited Investors.

Other Requirements

No subscription for the Shares will be accepted from any investor unless he is acquiring the Shares for his own account (or accounts as to which he has sole investment discretion), for investment and without any view to sale, distribution or disposition thereof. Each prospective purchaser of Shares may be required to furnish such information as the Company may require, to determine whether any person or entity purchasing Shares is an Accredited Investor, or select Non-Accredited Investor who may purchase Shares.

Forward Looking Information

Some of the statements contained in this Memorandum, including information incorporated by reference, discuss future expectations, or state other forward looking information. Those statements are subject to known and unknown risks, uncertainties and other factors, several of which are beyond the Company's control, that could cause the actual results to differ materially from those contemplated by the statements. The forward looking information is based on various factors and was derived using numerous assumptions. In light of the risks, assumptions, and uncertainties involved, there can be no assurance that the forward looking information contained in this Memorandum will in fact transpire or prove to be accurate.

Important factors that may cause the actual results to differ from those expressed within include, for example,

- the success or failure of the Company's efforts to demonstrate lack of toxicity in dogs and rats;
- the Company's ability to obtain an IND from the U.S. FDA;
- the effect of changing economic conditions;
- the ability of the Company to obtain adequate debt financing if only a fraction of this Offering is sold; and other risks which are described under "RISK FACTORS" and which may be described in future communications to shareholders. The Company makes no representation and undertakes no obligation to update the forward looking information to reflect actual results or changes in assumptions or other factors that could affect those statements.

Risk Factors

Investing in the Company's Shares is very risky. You should be able to bear a complete loss of your investment. You should carefully consider the following factors, among others.

Development Stage Business

IMI commenced operations in November 1995 and was organized as a C corporation under the laws of the State of Delaware in October 1997. Accordingly, the Company has only a limited history upon which an evaluation of its prospects and future performance can be made. The Company's proposed operations are subject to all business risks associated with new enterprises. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with pharmaceutical drug development, operation in a competitive industry, and the continued research and development of drug derivatives. There is a possibility that the Company could sustain losses in the future. There can be no assurances that IMI will even operate profitably.

Inadequacy of Funds

Gross offering proceeds of a minimum of $3,000,000 and a maximum of $6,000,000 may be realized. Management believes that such proceeds will capitalize and sustain IMI sufficiently to allow for the continued research and development of its lead drug, hypoestoxide; the approval of an IND (Investigational New Drug) application by the FDA and the implementation of a licensing agreement with a large pharmaceutical company. If only a fraction of this Offering is sold, or if certain assumptions contained in Management's business plans prove to be incorrect, the Company may have inadequate funds to fully develop its business and may need debt financing or other capital investment to fully implement the Company's business plans.

Dependence on Management

In the early stages of development, the Company's business will be significantly dependent on the Company's management team. The Company's success will be particularly dependent upon Dr. Emmanuel Ojo-Amaize, President, the Company's principal executive officer, founder of IMI, and developer of IMI's operations, business plans, and manager of the business. The loss of this individual could have a material adverse effect on the Company. See "MANAGEMENT."

Risks Associated with Expansion

The Company plans on expanding its business through the filing of several intellectual properties for new indications. Any expansion of operations the Company may undertake will entail risks, such actions may involve specific operational activities which may negatively impact the profitability of the Company. Consequently, shareholders must assume the risk that (i) such expansion may ultimately involve expenditures of funds beyond the resources available to the Company at that time, and (ii) management of such expanded operations may divert Management's attention and resources away from its existing operations, all of which factors may have a material adverse effect on the Company's present and prospective business activities.

Customer Base and Market Acceptance

While the Company believes it can further develop its lead drug, hypoestoxide, to the IND, ADMET & PK stages respectively, and enter into business partnerships with large pharmaceutical companies through licensing opportunities for up-front, milestone and royalty fees; the inability of the Company to form such partnerships with large pharmaceutical companies could have a material adverse effect on the Company. Although the Company believes that its product offers advantages over competitive companies and products, no assurance can be given that Company's lead product will attain a degree of acceptability to the large pharmaceutical companies or that it will generate revenues sufficient for sustained profitable operations.

Competition

While there does exist some current competition, Management believes that IMI's natural product, hypoestoxide, is unique in nature and the expertise of Management combined

with the innovative nature of its product's applications/indications will set the Company apart from its competitors. There is the possibility that new competitors could seize upon IMI's product ideas and produce competing drugs with similar product indications. Likewise, these new competitors could be better capitalized than IMI which could give them a significant advantage. There is the possibility that the competitors could capture significant market share of IMI's intended market. See the "Competition" section within the attached business plan for a summary comparison between the various competitors' products.

General Economic Conditions

The financial success of the Company may be sensitive to adverse changes in general economic conditions in the United States, such as recession, inflation, unemployment, and interest rates. Such changing conditions could reduce demand in the marketplace for the Company's products. Management believes that the niche products they market will insulate the Company from excessive reduced demand. Nevertheless, IMI has no control over these changes.

Trend in Consumer Preferences and Spending; Possible Fluctuations in Operating Results

The Company's operating results may fluctuate significantly from period to period as a result of a variety of factors, including purchasing patterns of customers, competitive pricing, debt service and principal reduction payments, and general economic conditions. There is no assurance that the Company will be successful in marketing any of its products, or that the revenues from the sale of such products will be significant. Consequently, the Company's revenues may vary by quarter, and the Company's operating results may experience fluctuations.

Risks of Borrowing

If the Company incurs indebtedness, a portion of its cash flow will have to be dedicated to the payment of principal and interest on such indebtedness. Typical loan agreements also might contain restrictive covenants which may impair the Company's operating flexibility. Such loan agreements would also provide for default under certain circumstances, such as failure to meet certain financial covenants. A default under a loan agreement could result in the loan becoming immediately due and payable and, if unpaid, a judgment in favor of such lender which would be senior to the rights of owners of Common Stock of the Company. A judgment creditor would have the right to foreclose on any of the Company's assets resulting in a material adverse effect on the Company's business, operating results or financial condition.

Unanticipated Obstacles to Execution of the Business Plan

The Company's business plans may change significantly. Many of the Company's potential business endeavors are capital intensive and may be subject to statutory or regulatory requirements. Management believes that the Company's chosen activities and strategies are achievable in light of current economic and legal conditions with the skills, background, and knowledge of the Company's principals and advisors. Management reserves the right to make significant modifications to the Company's stated strategies depending on future events.

Management Discretion as to Use of Proceeds

The net proceeds from this Offering will be used for the purposes described under "Use of Proceeds." The Company reserves the right to use the funds obtained from this Offering for other similar purposes not presently contemplated which it deems to be in the best interests of the Company and its shareholders in order to address changed circumstances or opportunities. As a result of the foregoing, the success of the Company will be substantially dependent upon the discretion and judgment of Management with respect to application and allocation of the net proceeds of this Offering. Investors for the Common Stock offered hereby will be entrusting their funds to the Company's Management, upon whose judgment and discretion the investors must depend.

Control By Management

As of June 30, 2005, the Company's officers and directors owned approximately 76.7% of the Company's outstanding shares. Upon completion of this Offering, the Company's officers and directors will own approximately 55.63% of then issued and outstanding shares, and will be able to elect all of the directors and continue to control IMI. Investors will own a minority percentage of the Company's Common Stock and will have minority voting rights. Investors will not have the ability to control either a vote of the Company's Shareholders or Board of Directors. See "PRINCIPAL SHAREHOLDERS"

Dividend Policy

The Company intends to retain any initial future earnings to fund operations and expand the Company's business. A holder of Common Stock will be entitled to receive dividends only when, as, and if declared by the Board of Directors out of funds legally available thereof. The Company's Board of Directors will determine future dividend policy based upon the Company's results of operations, financial condition, capital requirements, and other circumstances.

No Assurances of Protection for Proprietary Rights; Reliance on Trade Secrets

In certain cases, the Company may rely on trade secrets to protect proprietary technology and processes which the Company has developed or may develop in the future. There can be no assurances that secrecy obligations will be honored or that others will not independently develop similar or superior technology. The protection of proprietary technology through claims of trade secret status has been the subject of increasing claims and litigation by various companies both in order to protect proprietary rights as well as for competitive reasons even where proprietary claims are unsubstantiated. The prosecution of proprietary claims or the defense of such claims is costly and uncertain given the uncertainty and rapid development of the principles of law pertaining to this area. The Company, in common with other firms, may also be subject to claims by other parties with regard to the use of technology information and data which may be deemed proprietary to others.

Dilution

Purchasers of Shares will experience immediate and substantial dilution of $2.40 in net tangible book value per share, or approximately 80% of the assumed offering price of $3.00 per share (assuming maximum offering proceeds are achieved). Post offering shares will be worth $0.60. Additional Shares issued by the Company in the future will also dilute a purchaser's investment in the Shares. See "DILUTION."

Limited Transferability and Liquidity

To satisfy the requirements of certain exemptions from registration under the Securities Act, and to conform with applicable state securities laws, each investor must acquire his Shares for investment purposes only and not with a view towards distribution. Consequently, certain conditions of the Securities Act may need to be satisfied prior to any sale, transfer, or other disposition of the Shares. Some of these conditions may include a minimum holding period, availability of certain reports, including financial statements from IMI, limitations on the percentage of Shares sold and the manner in which they are sold. IMI can prohibit any sale, transfer or disposition unless it receives an opinion of counsel provided at the holder's expense, in a form satisfactory to IMI, stating that the proposed sale, transfer or other disposition will not result in a violation of applicable federal or state securities laws and regulations. No public market exists for the Shares and no market is expected to develop. Consequently, owners of the Shares may have to hold their investment indefinitely and may not be able to liquidate their investments in IMI or pledge them as collateral for a loan in the event of an emergency.

Broker - Dealer Sales of Shares

The Company's Common Stock is not presently included for trading on any exchange, and there can be no assurances that the Company will ultimately be registered on any exchange. The NASDAQ Stock Market, Inc. has recently enacted certain changes to the entry and maintenance criteria for listing eligibility on the NASDAQ Small Cap Market. The entry standards require at least $4 million in net tangible assets or $750,000 net income in two of the last three years. The proposed entry standards would also require a public float of at least $1 million shares, $5 million value of public float, a minimum bid price of $2.00 per share, at least three market makers, and at least 300 shareholders. The maintenance standards (as opposed to entry standards) require at least $2 million in net tangible assets or $500,000 in net income in two of the last three years, a public float of at least 500,000 shares, a $1 million market value of public float, a minimum bid price of $1.00 per share, at least two market makers, and at least 300 shareholders.

No assurance can be given that the Common Stock of the Company will ever qualify for inclusion on the NASDAQ System or any other trading market. As a result, the Company's Common Shares are covered by a Securities and Exchange Commission rule that opposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors. For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale. Consequently, the rule may affect the ability of broker-

dealers to sell the Company's securities and may also affect the ability of shareholders to sell their shares in the secondary market.

Long Term Nature of Investment

An investment in the Shares may be long term and illiquid. As discussed above, the offer and sale of the Shares will not be registered under the Securities Act or any foreign or state securities laws by reason of exemptions from such registration which depends in part on the investment intent of the investors. Prospective investors will be required to represent in writing that they are purchasing the Shares for their own account for long-term investment and not with a view towards resale or distribution. Accordingly, purchasers of Shares must be willing and able to bear the economic risk of their investment for an indefinite period of time. It is likely that investors will not be able to liquidate their investment in the event of an emergency.

No Current Market For Shares

There is no current market for the Shares offered in this private Offering and no market is expected to develop in the near future.

Compliance with Securities Laws

The Shares are being offered for sale in reliance upon certain exemptions from the registration requirements of the Securities Act, applicable Delaware Securities Laws, and other applicable state securities laws. If the sale of Shares were to fail to qualify for these exemptions, purchasers may seek rescission of their purchases of Shares. If a number of purchasers were to obtain rescission, IMI would face significant financial demands which could adversely affect IMI as a whole, as well as any non-rescinding purchasers.

Offering Price

The price of the Shares offered has been arbitrarily established by IMI, considering such matters as the state of the Company's business development and the general condition of the industry in which it operates. The Offering price bears little relationship to the assets, net worth, or any other objective criteria of value applicable to IMI.

Lack of Firm Underwriter

The Shares are offered on a "best efforts" basis by the officers and directors of IMI without compensation and on a "best efforts" basis through certain NASD registered broker-dealers which enter into Participating Broker-Dealer Agreements with the Company. Accordingly, there is no assurance that the Company, or any NASD broker-dealer, will sell the maximum Shares offered or any lesser amount.

Projections: Forward Looking Information

Management has prepared projections regarding IMI's anticipated financial performance. The Company's projections are hypothetical and based upon the historical financial performance of the Company, the addition of a sophisticated and well funded marketing plan, and other factors influencing the business of IMI. The projections are based on Management's best estimate of the probable results of operations of the Company, based

on present circumstances, and have not been reviewed by IMI's independent accountants. These projections are based on several assumptions, set forth therein, which Management believes are reasonable. Some assumptions upon which the projections are based, however, invariably will not materialize due the inevitable occurrence of unanticipated events and circumstances beyond Management's control. Therefore, actual results of operations will vary from the projections, and such variances may be material. Assumptions regarding future changes in sales and revenues are necessarily speculative in nature. In addition, projections do not and cannot take into account such factors as general economic conditions, unforeseen regulatory changes, the entry into IMI's market of additional competitors, the terms and conditions of future capitalization, and other risks inherent to the Company's business. While Management believes that the projections accurately reflect possible future results of IMI's operations, those results cannot be guaranteed.

Use Of Proceeds

The Company seeks to raise minimum gross proceeds of $3,000,000 and maximum gross proceeds of $6,000,000 from the sale of shares in this Offering. The Company intends to apply these proceeds substantially as set forth herein, subject only to reallocation by Management in the best interests of the Company.

Sources

	Maximum Amount	**Percent of Proceeds**	**Minimum Amount**	**Percent of Proceeds**
Proceeds From Sale of Shares	$6,000,000	100%	$3,000,000	100%

Application of Proceeds

Offering Expenses (1)	$5,000	0.08%	$5,000	0.17%
Commissions (2)	$600,000	10.00%	$300,000	10.00%
Total Offering Expenses & Fees	$605,0000	10.08%	$305,000	10.17%
Net Offering Proceeds	$5,395,000	89.92%	$2, 695,000	89.83%
Debt Reduction	$200,000		$200,000	
Legal, Accounting	$195,000		$195,000	
Working Capital	$4,000,000		$2, 000,000	
Equipment	$1,000,000		$300,000	
Total Application of Proceeds	$6,000,000	100%	$3,000,000	100%

Footnotes:

(1) Includes estimated memorandum preparation, filing, printing, legal, accounting and other fees and expenses related to the Offering

(2) This Offering is being sold by the officers and directors of the Company, who will not receive any compensation for their efforts. No sales fees or commissions will be paid to such officers or directors. Shares may be sold by registered broker or dealers who are members of the NASD and who enter into a Participating Dealer Agreement with the Company. Such brokers or dealers may receive commissions up to ten percent (10%) of the price of the Shares sold.

Management

Principals of the Company

At the present time, two individuals are actively involved in the management of the Company.

- Emmanuel A. Ojo-Amaize, President
- Emeka J. Nchekwube, Director, Medical Affairs & Secretary

Emmanuel A. Ojo-Amaize, President:

Dr. Ojo-Amaize was Director, Cellular Immunology Research at Specialty Laboratories, Inc., a world leader in clinical laboratory testing on normal and aberrant immune responses to diseases.

While at Specialty, he developed and patented novel clinical technologies for the diagnosis of aberrant immune responses to silicone in women with silicone breast implants. His work on silicone and beryllium disease produced annual sales of $10.5 million. He previously held executive and management positions at ICN Pharmaceuticals, Inc., where he directed the development of novel small molecular weight synthetic nucleosides for immunomodulatory applications and managed a departmental annual budget of $3 million. Prior to ICN, Dr. Ojo-Amaize was an NIH Senior Clinical Immunology fellow at the University of California, Los Angeles (UCLA) School of Medicine (under the auspices of Professor John L. Fahey), where he developed novel technologies to assess the role of antibodies in HIV infection for which he received a California State AIDS Task Force Award of $200,000. He has had over twenty-five years of experience managing the discovery and development of pharmaceuticals and novel diagnostic products enabling life science technologies. Dr. Ojo-Amaize currently serves as a volunteer faculty in the University of Southern California (USC) School of Medicine. He is the author of over 40 publications in peer-reviewed medical journals. Dr. Ojo-Amaize received his B.A. degree in Biology from Prescott College, Prescott, Arizona, a Ph.D. degree in Cellular Immunology from Uppsala University Biomedical Center, Uppsala, Sweden (under Professor Hans Wigzell, now President of Karolinska Institute in Stockholm) and a Postdoctoral training (under Professor Ruth Nussenzweig) in Molecular Immunology & Parasitology from New York University School of Medicine, New York, NY. He was the recipient of several prestigious Fellowship Awards including the Rockefeller Foundation, World Health Organization, the National Cancer Institute, and the Swedish Agency for Research and Co-operation with Developing Countries (SAREC). He is a member of the American Association for the Advancement of Science, New York Academy of Sciences, Scandinavian Society for Immunology and the Association of Medical Laboratory Immunologists.

Dr. Ojo-Amaize is continuously developing animal models in which to evaluate the efficacy of hypoestoxide for different indications.

Emeka J. Nchekwube, Medical Director & Secretary:

Dr. Nchekwube currently serves as the Medical Director of IMI and he is also in private practice as a Neurosurgeon. He is on the Board of Directors of several firms including IMI, Providence Farms Inc., and Beacon Diagnostics. Dr. Nchekwube has had more than twenty years of experience in the areas of immunodiagnosis, neurology and therapeutics.

He received his B.S. degree in Chemistry with honors from Central Michigan University, an M.D. from Wayne State University School of Medicine in Detroit, Michigan and residency training in Neurosurgery from Wayne State University. Dr. Nchekwube is an active member of several professional societies including: American Medical Association, California Medical Association, Congress of Neurological Surgeons and American Association of Neurological Surgeons.

Dr. Nchekwube continues to create value for IMI by maintaining an acre of green house for propagating the raw materials needed for the manufacture of GMP grade hypoestoxide to be used for both ADMET & PK studies and IND application.

Management Compensation

There is no accrued compensation that is due any member of Management. No directors who are members of Management will receive any director's fees. Each director will be entitled to reimbursement of expenses incurred while conducting Company business. Each director may also be a shareholder in the Company and as such will share in the profits of the Company when and if dividends are paid. Management reserves the right to reasonably increase their salaries assuming the business is performing profitably and Company revenues are growing on schedule. Any augmentation of these salaries will be subject to the profitability of the Business and the effect on the Business cash flows. Current and projected Management salaries for the next 12 months are not applicable. Members of the Management team are currently working for equity in lieu of salaries and compensation.

Emmanuel A. Ojo-Amaize, President:
Current: No annualized salary is payable monthly
Projected 12 months: Not Applicable

Howard B. Cottam, VP:
Current: No annualized salary is payable monthly
Projected 12 months: Not Applicable

Emeka J. Nchekwube, Medical Director:
Current: No annualized salary is payable monthly
Projected 12 months: Not Applicable

Anthony A. Tiongson, CFO:
Current: No annualized salary is payable monthly
Projected 12 months: Not Applicable

Board of Directors

The Company has established a Board of Directors, which includes members of the Management team. The Board of Directors will assist the Management team in making appropriate decisions and taking effective action. In the future, the Board of Directors will

consist of individuals outside of the Management team and, they will not be responsible for Management decisions. Currently there are five (5) members of the Board of Directors:

Emmanuel A. Ojo-Amaize, Ph.D., Howard B. Cottam, Ph.D., Emeka J. Nchekwube, M.D.

Olusola A. Oyemade, M.D., Joseph I. Okogun, Ph.D.

Dilution

The purchasers of the Common Stock offered by this Memorandum will experience an immediate and substantial dilution of their investments. There are 10,000,000 authorized shares of Common Stock of the Company of which 6,578,753 shares are currently issued and outstanding. The net tangible book value per share of the Company's Common Stock was approximately $0.94 on June 30, 2005. Net tangible book value per share of Common Stock is equal to the Company's total tangible assets less its total liabilities, divided by the total number of outstanding shares of Common Stock. Upon completion of this Offering, the net tangible book value for the Shares which are now outstanding will be increased with corresponding dilution for the Shares sold to investors.

The following reflects the dilution to be incurred by the investors. "Dilution" is determined by subtracting the net tangible book value per Common Share after the Offering from the Offering price. If the expected maximum number of Shares offered, hereby are sold, of which there can be no assurance, there will be 8,578,753 Shares of the Company's Common Stock outstanding with net tangible book value of approximately $0.94 per Share. This represents an immediate increase in net tangible book value from $0.001 to $0.94 per Share to existing shareholders and an immediate dilution of from $3.00 to $2.06 per Share to purchasers of Shares in this Offering.

Principal Shareholders

The following table contains certain information as of June 30, 2005 as to the number of shares of Common Stock beneficially owned by (i) each person known by the Company to own beneficially more than 5% of the Company's Common Stock, (ii) each person who is a Director of the Company, (iii) all persons as a group who are Directors and Officers of the Company, and as to the percentage of the outstanding shares held by them on such dates and as adjusted to give effect to this Offering.

		Current	**After Offering**
Names	Shares	Percentage	(Max.) Percentage
Emmanuel Ojo-Amaize	2,249,170	34.19%	26.22%
Emeka J. Nchekwube	1,214,800	18.46%	14.16%
Joseph I. Okogun	681,377	10.36%	7.94%
Howard B. Cottam	417,046	6.34%	4.86%
Arinola Adesanya	355,600	5.41%	4.15%

Additional Shareholders

Thirteen (13) additional shareholders collectively own a total of 1,660, 760 shares.

Certain Transactions

Stock Option Agreements

The Company has entered into stock option agreements with the following individuals:

Clive Taylor, M.D., Ph. D.: A stock option agreement was signed with Clive Taylor for a total of 5,000 Shares, at an exercise price of $0.10 cents and to be exercised within two calendar years of the date when such shares are issued and available.

Litigation

The Company is not presently a party to neither any material litigation, nor to the knowledge of Management is any litigation threatened against the Company which may materially affect the business of the Company or its assets.

Description of Shares

The Shares offered hereby are 2,000,000 shares of Common Stock, $0.001 par value. The Company's authorized capital consists of 10,000,000 shares of Common Stock, with par value $.001. 6,578,753 shares of Common Stock are currently issued and outstanding. Upon completion of the Offering, between 7,578,753 and 8,578,753 shares of Common Stock will be issued and outstanding.

The shares of Common Stock are equal in all respects, and upon completion of the Offering, the Common Stock will comprise the only class of capital stock that the Company will have issued and outstanding upon close of the Offering.
Each Common Shareholder is entitled to one vote for each share held on each matter submitted to a vote of the Shareholders.

Shares of Common Stock are not redeemable and do not have conversion rights. The Shares currently outstanding are, and the Shares to be issued upon completion of this Offering will be, fully paid and non-assessable.

In the event of the dissolution, liquidation or winding up of the Company, the assets then legally available for distribution to the holders of the Company's shares of stock will be distributed ratably among such holders in proportion to their shareholdings.

Holders of Common Stock are only entitled to dividends when, as and if declared by the Board of Directors out of funds legally available therefor. The Company has never paid any such dividends. Future dividend policy is subject to the discretion of the Board of Directors and will depend upon a number of factors, including among other things, the capital requirements and the financial condition of the Company.

Transfer Agent and Registrar

The Company will act as its own transfer agent and registrar for its shares of Common Stock.

Plan of Placement

The Shares are offered directly by officers and directors of the Company on the terms and conditions set forth in this Memorandum. Shares may also be offered by NASD brokers and dealers. The Company is offering the Shares on a "best efforts" basis. The Company will use its best efforts to sell the Shares to investors. There can be no assurance that all or any of the Shares offered will be sold.

Escrow of Subscription Funds

Commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Shares will be deposited in an escrow account. The Company has set a minimum offering proceeds figure of $3,000,000 for this Offering. The Company has established an Investment Holding Account with **Bank of The West, Immune Modulation Inc.'s Escrow Account # 677-080293,** into which the minimum offering proceeds will be placed. At least 1,000,000 Shares must be sold for $3,000,000 before such proceeds will be released from the escrow account and utilized by the Company. After the minimum number of Shares are sold, all subsequent proceeds from the sale of Shares will be delivered directly to the Company and be available for its use. Subscriptions for Shares are subject to rejection by the Company at any time.

How to Subscribe for Shares

A purchaser of Shares must complete, date, execute, and deliver to the Company the following documents, as applicable, all of which are included in Part C:

1. An Investor Suitability Questionnaire;

2. An original signed copy of the appropriate Subscription Agreement; and

3. A check payable to "Immune Modulation, Inc." in the amount of $3.00 per Share for each Share purchased as called for in the Subscription Agreement (minimum purchase 25,000 Shares or $75,000).

Purchasers of Shares will receive an Investor Subscription Package containing an Investor Suitability Questionnaire and two copies of the Subscription Agreement.

Subscriber may not withdraw subscriptions that are tendered to the Company (Florida and Pennsylvania Residents See NASAA Legend in the front of this Memorandum for important information).

Additional Information

Each prospective investor may ask questions and receive answers concerning the terms and conditions of this offering and obtain any additional information which the Company possesses, or can acquire without unreasonable effort or expense, to verify the accuracy of the information provided in this Memorandum. The principal executive offices of the Company are located at 2273 South Cactus Avenue, Suite # B. P. O. Box 998. Bloomington, CA 92316-0998, and the telephone number is “(909) 877-4579).”

PART B

BUSINESS PLAN

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I Executive Summary

The need for better-tolerated, more effective and less toxic immunosuppressive, anti-cancer and anti-viral therapeutics is being fueled by the escalating demand for organ transplants, the increasing incidence of several types of cancer and the increasing prevalence of viral infections such as the human immunodeficiency virus (HIV), herpes, hepatitis and other viruses.

The goal of IMI is to develop novel, well-tolerated, less toxic and orally bio-available effective therapeutic agents from natural and synthetic sources for use in the prevention of graft rejection, and related diseases, and in the treatment of autoimmune diseases such as rheumatoid arthritis, systemic lupus erythematosus (SLE), atherosclerosis, psoriasis, diabetes and viral infections and cancer. To this end, IMI has developed, within the last ten years, one lead compound, hypoestoxide (JO-4) and one synthetic compound, HE-33 which is in the pipeline. IMI intends to file an "Investigational New Drug" application (IND) with the U.S. Food and Drug Administration (FDA) for use of the lead compound, JO-4, against each of the following: **melanoma, renal cell carcinoma, cervical carcinoma, colon cancer, ovarian cancer, T-cell leukemia**, **Burkitt lymphoma** and **inflammatory diseases,** specifically **arthritis** and **psoriasis**. Beyond the initial focus on the aforementioned indications, IMI has expanded its research on JO-4, to include broad - spectrum anti-viral and anti-cancer activities such as: HIV, Herpes, lung, breast and brain cancers respectively.

IMI is at a point (end of Pre-clinical testing phase) where it is seeking additional funds **($3-6 million)** for further development of JO-4 in order to initiate its IND application to the FDA.

Preliminary animal studies conducted to date with JO-4 in relation to cancer and viral infections, indicate that the compound is orally bio-available, well tolerated, and **highly effective at very low doses**. The anti-cancer activity of JO-4 is mediated through its ability to shut off blood supply to the cancer cell, a process known as **anti-angiogenesis**. These qualities are not afforded by most of the anti-cancer and anti-viral therapeutics on the market today.

To date, IMI has filed **six** U.S. patents and **two** worldwide patents for its novel technologies. All six U.S. patents have already been issued. The two worldwide patent applications have been published, and have recently been issued in Great Britain, France and Germany respectively.

Legal Business Description

The legal company's name is Immune Modulation, Inc; (IMI). IMI is a corporation organized for profit and existing under the laws of the State of DELAWARE and qualified to transact intrastate business in the State of CALIFORNIA.

The Principal Executive Office is:
2711 Centerville Road, Suite 400
Wilmington, DE 19808

The Principal Business Office in the State of California is:
2273 South Cactus Avenue, Suite B
Bloomington, CA 92316

Corporate History

IMI is a Research and Development Company organized primarily to conduct research, and develop pharmaceutical drugs in the areas of transplantation, inflammation, oncology and virology.

IMI was founded in 1995 to study natural products from Africa. One such product, **hypoestoxide**, has been found to possess potent anti-inflammatory, anti-angiogenic, anti-viral and anti-cancer activities respectively. Hypoestoxide is presently at the end of the pre-clinical testing phase. Completion of this phase will enable IMI to apply for IND to conduct a Phase I (Safety) Clinical Trial on melanoma, colon or brain cancer. Upon receipt of the IND, IMI will out-license hypoestoxide to a large pharmaceutical company and also seek Under-Writers' backing for an IPO.

Management

Emmanuel A. Ojo-Amaize, Ph.D., Founder, President & Chief Executive Officer
Dr. Ojo-Amaize was Director, Cellular Immunology Research at Specialty Laboratories, Inc., a world leader in clinical laboratory testing on normal and aberrant immune responses to diseases. While at Specialty, he developed and patented novel clinical technologies for the diagnosis of aberrant immune responses to silicone in women with silicone breast implants. His work on silicone and beryllium disease produced annual sales of $10.5 million. He previously held executive and management positions at ICN Pharmaceuticals, Inc., where he directed the development of novel small molecular weight synthetic nucleosides for immunomodulatory applications and managed a departmental annual budget of $3 million. Prior to ICN, Dr. Ojo-Amaize was an NIH Senior Clinical Immunology fellow at the University of California, Los Angeles (UCLA) School of Medicine (under the auspices of Professor John L. Fahey), where he developed novel technologies to assess the role of antibodies in HIV infection for which he received a California State AIDS Task Force Award of $200,000. He has had over twenty-five years of experience managing the discovery and development of pharmaceuticals and novel diagnostic products enabling life science technologies. Dr. Ojo-Amaize currently serves as a volunteer faculty in the University of Southern California (USC) School of Medicine. He is the author of over 40 publications in peer-reviewed medical journals. Dr. Ojo-Amaize received his B.A. degree in Biology from Prescott College, Prescott, Arizona, a Ph.D. degree in Cellular Immunology from Uppsala University Biomedical Center, Uppsala, Sweden (under Professor Hans Wigzell, now President of Karolinska Institute in Stockholm) and a Postdoctoral training (under Professor Ruth Nussenzweig) in Molecular Immunology & Parasitology from New York University School of Medicine, New York, NY. He was the recipient of several prestigious Fellowship Awards including the Rockefeller Foundation, World Health Organization, the National Cancer Institute, and the Swedish Agency for Research and Co-operation with Developing Countries (SAREC). He is a member of the American Association for the Advancement

of Science, New York Academy of Sciences, The Scandinavian Society for Immunology and the Association of Medical Laboratory Immunologists. He is certified as a Laboratory Director in Cellular & Diagnostic Immunology by the New York State Department of Health.

Howard B. Cottam, Ph.D., **Co-Founder, Vice President**
Dr. Cottam was most recently Director, Medicinal Chemistry, at The Sam and Rose Stein Institute for Research on Aging at the University of California, San Diego, CA. He previously held an executive position at ICN Pharmaceuticals, Inc., where he directed the synthesis of novel small molecular weight nucleosides with immunomodulatory, anti-tumor, anti-viral and/or anti-parasitic properties. Dr. Cottam has served as a consultant to Specialty Laboratories, Inc. and ICN Pharmaceuticals. He is the author of over 40 publications in peer-reviewed medical and chemistry journals.

He has had over fifteen years of experience managing the discovery and development of numerous medicinal products. Dr. Cottam received his B.S. degree in Chemistry from Arizona State University in Tempe, Arizona, a Ph.D. in Organic Chemistry from Brigham Young University, and postdoctoral training in Medicinal Chemistry from the Brigham Young University Cancer Research

Emeka J. Nchekwube, M.D., Medical Director
Dr. Nchekwube currently serves as the Medical Director of IMI and he is also in private practice as a Neurosurgeon. He is on the Board of Directors of several firms including IMI, Providence Farms Inc., and Beacon Diagnostics. Dr. Nchekwube has had more than twenty years of experience in the areas of immunodiagnosis, neurology and therapeutics. He received his B.S. degree in Chemistry with honors from Central Michigan University, an M.D. from Wayne State University School of Medicine in Detroit, Michigan and residency training in Neurosurgery from Wayne State University. Dr. Nchekwube is an active member of several professional societies including: American Medical Association, California Medical Association, Congress of Neurological Surgeons and American Association of Neurological Surgeons.

Olusola A. Oyemade, M.D., M.P.H., Director
Dr. Oyemade currently serves as the Managing Director of IMI and he is also in private practice as a Pediatrician. He is on the Board of Directors of several organizations including IMI, American Academy of Pediatrics, Ch. 2, California, Association of Nigerian Physicians in the Americas. He has had more than twenty years of experience in the areas of pediatric nephrology and public health. Prior academic positions held, include Asst. Clinical Instructorship at the University of Buffalo, Buffalo, NY, Asst. Professorships in pediatrics at Meharry Medical College, Nashville, TN, Vanderbilt University and Howard University respectively. He received his M.B.; ChB degree from the University of Edinburgh, Edinburgh, Scotland and a Masters of Public Health degree (M.P.H.) from Johns Hopkins University School of Public Health and fellowship training in Pediatric Nephrology from Georgetown University Medical Center and Children's Hospital at Los Angeles. He is a member of the American Academy of Pediatrics and the West African College of Physicians.

Joseph I. Okogun, Ph.D., Director
Dr. Okogun was most recently a Consultant Professor of Natural Products Chemistry and Herbal Medicine at the Nigerian National Institute for Pharmaceutical Research and Development (NIPRD). Prior to NIPRD, he was Professor of Organic Chemistry at the University of Ibadan, Nigeria, where he established himself as a world leader in Natural Products Chemistry. He discovered several noted natural products including **hypoestoxide**, anti-sickling, anti-malarial and anti-convulsion drugs. Dr. Okogun received his B.Sc. degree (with First Class Honors) in Chemistry from the University of Ibadan, Nigeria, a Ph.D. in Chemistry from the University of London (University of Ibadan College of the University of London) and Postdoctoral training in chemistry from Imperial College of Sciences and Technology, London, and Texas A&M under the Late Sir Derek Barton, the 1969 Nobel Laureate in Chemistry. He was the recipient of several prestigious fellowship awards including Alexander von Humboldt, Commonwealth Academy, and Tiearztlichen Hochschule, Hannover, Germany. He is on the Board of Directors of IMI (Nigeria) Ltd, and Bevekt Gedu Chemical Company. He is the author of over seventy publications in peer-reviewed chemistry and Natural products chemistry journals. He is a member of several chemical societies including the Chemical Society of Nigeria, African Academy of Sciences, Nigerian Society of Pharmacognosy, Royal Society of Chemistry (U.K.) and the American Society of Pharmacognosy.

Anthony A. Tiongson, CPA, M.A., Chief Financial Officer
Mr. Tiongson is currently the Chief Financial Officer for IMI, and is involved in IMI's business development strategies. He also directs his own private financial firm, Anthony A. Tiongson & Associates, where he is President & CEO. Mr. Tiongson has had over twenty-five years of experience in accounting and business management. He received his M.A. degree in business management from the University of Southern California and he is a member of the American Institute of Certified Public Accountants.

Pillsbury Winthrop Shaw Pittman LLP, Corporate Counsel, Intellectual Properties
IMI retains the services of Pillsbury Winthrop Shaw Pittman LLP (formerly, Pillsbury Madison & Sutro, LLP.) for corporate development, intellectual properties, strategic licensing and partnering transactions.

Scientific Advisory Board/Consultants

Clive R. Taylor, M.D., Ph.D. Professor and Chairman, Department of Pathology, University of Southern California School of Medicine, Los Angeles, CA.

Rishab K. Gupta, Ph.D. Director, Immunodiagnosis, John Wayne Cancer Institute, Santa Monica, CA. Formerly, Professor of Medicine, UCLA School of Medicine, Los Angeles, CA.

J. Edwin Seegmiller, M.D. Professor of Medicine, Associate Director, Institute for Research on Aging. Dept. of Medicine, University of California, San Diego, California.

Michael Karin, Ph.D. Professor of Pharmacology, Director, Laboratory of Gene Regulation and Signal Transduction, Department of Pharmacology, University of California, San Diego, California.

Judith A. Varner, Ph.D. Asst. Professor of Medicine, Cancer Center, University of California, San Diego, California.

II Product Description

IMI has one lead product, Hypoestoxide (JO-4) and one product (HE-33) in the pipeline.

JO-4

JO-4 (Hypoestoxide, HE) is a chemical compound isolated from the extracts of dried *Hypoestes rosea* plant leaves. *Hypoestes rosea* is a rain forest shrub, which grows in the rain forest regions of Nigeria in West Africa. JO-4 has been found to be anti-inflammatory *in vitro* and thus may find several uses in suppressing allergic reactions, asthma, contact dermatitis, skin diseases such as psoriasis and in T-cell-mediated autoimmune diseases such as multiple sclerosis (MS), autoimmune thyroiditis, autoimmune myocarditis, systemic lupus erythematosus (SLE), rheumatoid arthritis (RA), Alzeimer's disease (AD), diabetes and glomerulonephritis. JO-4 has been shown to be highly effective against arthritis and topical inflammation in mice.

JO-4 also possesses anti-viral activities. It has been shown *in vitro* to be effective in inhibiting the growth of certain isolates of HIV-1, Herpes virus type 1 (encephalitis-causing-herpes virus) and Herpes virus type 2 (genital herpes). The National Cancer Institute has also found JO-4 to be cytotoxic against T-cell Leukemia, Burkitt lymphoma, melanoma and cervical carcinoma cell lines in vitro. Because of the lipophilic nature of JO-4, this compound may **naturally** be suited for use as a cream, especially for topical application against genital herpes infection, eczema and psoriasis.

JO-4 has recently been shown to be a potent inhibitor of Angiogenesis. Angiogenesis, the growth of new blood vessels from pre-existing vasculature, plays a critical role in a large spectrum of diseases including: all solid tumors (prostate, colon, pancreatic carcinoma, melanoma, brain, breast, lung, ovarian and cervical cancers), diabetic retinopathy, age-related macular degeneration, rheumatoid arthritis, psoriasis, atherosclerosis, discoid lupus erythematosis, chronic pulmonary inflammation, sub-acute thyroiditis, asthma, uveitis and Alzheimer's disease.

HE-33

HE-33 is a synthetic cyclic AMP derivative which has been found to be effective for the treatment of systemic lupus erythematosus (SLE) and graft-versus-host disease (GVHD) in bone marrow recipients. Two U.S. patents have been issued to IMI on HE-33 for these indications.

III Marketing

IMI does not intend to process, market or distribute its products but rather, would license each of its utility patents to large Pharmaceutical companies such as Bristol-Myers Squibb Co.; Norvatis Pharmaceutical Corporation, American Home Products, Glaxo-SmithKline, Schering-Plough Corporation and Eli Lilly & Co, all of which have signed confidential disclosure agreements (CDA) with IMI. These are the major multi-billion dollar Pharmaceutical companies which have financial, technical, and marketing resources significantly greater than those of IMI . IMI intends to negotiate a licensing agreement with any of the large Pharmaceutical companies after IND applications have been filed by IMI and approved by the FDA.

Typically, the process of evaluation of IMI's product involves the review, by a large pharmaceutical company, of a package from a small biotech, such as IMI, consisting of data on proof of concept, toxicology, ADME (Absorption, Distribution, Metabolism, & Excretion), and Pharmacokinetics (PK). Once and if the results of the evaluation are favorable, a material transfer agreement (MTA) is signed by both parties. This allows the large pharmaceutical company to obtain a small amount of IMI's product for in- house evaluation /due dilligence. If successful, licensing discussions ensue.

IMI has been granted two U.S. patents for the use of its synthetic drug (HE-33) for immune suppression and graft-versus-host disease. Three U.S. patents have also been granted for immune suppression/inflammation and composition of matter, anti-cancer and anti-viral indications respectively for its natural product, hypoestoxide (JO-4).

HE-33 is in the pipeline. International patent applications have been filed for all of the above compounds for their respective clinical utilities. These international patent applications have initially been reviewed and published by the world patent office and have recently been issued in Great Britain, France and Germany respectively.

Anti-Inflammation

The need for better-tolerated, more-effective immunosuppressives is being fueled by the escalating demand for organ transplants and the increasing prevalence of diseases such as graft-versus-host-disease (GVHD), and autoimmune diseases such as rheumatoid arthritis, psoriasis, and systemic lupus erythematosus. Cyclosporine (Sandimmune), manufactured by Norvatis Pharmaceuticals Corporation still dominates the transplant market with sales of nearly $1 billion per year. Although this compound has several side effects, it has however been approved in the United States for psoriasis and rheumatoid arthritis.

Sales of immunosuppressives for organ transplantation in the major pharmaceutical markets are projected to reach $1.7 billion in 2005. Sales of immunosuppressives for psoriasis will total nearly $160 million by 2005, due to the introduction of new biological agents. The market for immunosuppressives for rheumatoid arthritis will reach nearly $470 million by 2005. Sales of such drugs for lupus will approach $30 million in 2005.

Anti-viral Therapeutics

The development of effective anti-viral drugs remains a significant therapeutic challenge. As patient populations affected by viral diseases steadily increase, so rise the market opportunities for both new therapeutic agents and new therapeutic and prophylactic vaccines.

HIV-1

There are over 20 million people infected with HIV worldwide and the World Health Organization estimates that the number will, more than double by the year 2005. The number of HIV-infected individuals in the United States is currently estimated at 1-2 million. By the year 2005, it is estimated that more than 3 million Americans will be infected with HIV-1. It is now known that combination therapies involving compounds such as protease inhibitors and non-nucleoside reverse transcriptase inhibitors are the key to reducing viral load. These acclaimed "combination therapies" are just a stop-gap and in no way a panacea. The combination drug treatment calls for two to three drug sessions daily, involving fifteen to twenty pills that have a wholesale cost of $10,000 to $12,000 a year per patient resulting in a total cost of $10-12 billion for at least 1 million infected subjects. The side effects are considerable – making combination therapies not a total success. Therefore, there is a need for newer drugs with fewer side effects. IMI's natural product, JO-4 has been shown *in vitro* by the National Cancer Institute to be moderately effective against HIV-1.

Herpes Simplex Virus (HSV), Types 1 and 2

Of the large number of agents under development for the treatment of herpes virus infections, only ten have apparently reached clinical development. Mortality and morbidity remain problematic in herpes simplex encephalitis (HSV-1). HSV-2 is the most common infectious cause of genital ulceration in developed countries. Currently, 1 in 5 (20%) teenage adults in the United States is infected with genital herpes. A range of anti-viral agents has become available since the early 1980s which can reduce disease severity, but HSV infection is life-long and, once established, there is no treatment which can eliminate it. Therefore, there is a tremendous need for the development of new drugs to combat HSV infection. IMI's natural product JO-4 has been shown *in vitro* to be active against HSV-1 and HSV-2. Due to the "creamy" nature of JO-4, it may be appropriate to use JO-4 as a cream for genital herpes. JO-4A, a derivative of JO-4, has also been shown to be effective *in vitro* against HSV-2. Acyclovir, produced by Burroughs Wellcome is the only drug on the market with activity against herpes with annual sales of more than $2 billion . The poor bioavailability of acyclovir after oral administration provides a need to develop new and effective orally bio-available anti-viral drugs. JO-4 may serve and fulfill this need due to its extensive tissue distribution following oral administration.

Cancer Therapeutics

Growing frustration in the oncology community with prevailing treatment options is fueling research and development efforts. New therapeutic approaches are emerging based on increasing understanding of the molecular and cellular mechanisms of cancer.

Biological therapies show great promise for their potential to be more selective than current regimens, with fewer side effects. Growth of the major world cancer therapeutics markets is projected to increase from $8 billion in 1994 to $11.5 billion by the year 2005 and to more than $20 billion by the year 2010.

IMI's JO-4 compound has been shown *in vitro* to be effective against the growth of human **malignant melanoma, renal cell carcinoma** and **cervical carcinoma** respectively. The compound has shown a remarkable effectiveness against the growth of metastatic melanoma in mice administered with an oral dose. The National Cancer Institute has also shown that JO-4 is effective *in vitro* against **T- cell leukemia** and **burkitt's lymphoma .**

Malignant Melanoma

This is the rarest but most virulent form of skin cancer. It is responsible for 75% of all deaths from skin cancer. In 1996, an estimated 38,300 cases of melanoma were diagnosed and 7,300 melanoma-associated deaths occurred. In recent years, the mortality from melanoma has increased, especially in white males, possibly as a result of increased recreational exposure to sunlight. The incidence has been increasing at a rate of approximately 4% per year. **Intron-A** (Interferon-alpha), the only drug in the market for malignant melanoma, is manufactured by Schering-Plough Corporation with sales of over $1 billion per year. This drug is toxic and requires administration at high doses. IMI's scientists have shown that combining JO-4 with Intron-A reduces the dose of Intron-A by eight-fold without compromising efficacy.

Renal Cell Carcinoma (RCC)

Renal Cell Carcinoma (RCC) is highly resistant to the many systemic therapies that have been extensively investigated. RCC occurs nearly twice as often in men as in women. The estimates of new diagnoses and deaths from kidney cancer in the United States during 1996 are 30,600 and 12,000 respectively. The incidence of RCC has been rising steadily. Between 1974 and 1990, there was a 38% increase in the number of patients who had a diagnosis of RCC. A minority of patients achieve complete or partial response to interferon, interleukin-2, or both. Because most patients do not achieve response, these agents are not considered effective treatments for RCC. Identification of new agents with better anti-tumor activity against metastases remain a high priority in clinical investigation of therapy for this refractory disease.

Cervical Carcinoma (CC)

Cervical Carcinoma (CC) remains a significant health problem in the United States (U.S.). CC is the most common cancer among women worldwide and the leading cancer cause of death in many countries. In the U.S., the current age-adjusted incidence of CC is about 8 per 100, 000 population, which compares to 54.6 in Peru and 4.2 in Israel. There are 15,000 cases of invasive CC diagnosed in the U.S. annually. During the last decade, an estimated 465,000 new cases of invasive CC were diagnosed each year and more than 200,000 deaths occurred annually, worldwide.

IV Financial Analysis

To date, IMI has spent approximately $9,462,424 million (see 6-Year Expense Analysis) to bring the company's products to the present stage of pre-clinical development. IMI is currently seeking to raise additional capital through private placement offering of common stock to finance the development of its lead product to enable IMI to file IND application with the FDA for the indicated uses.

IMI expects to be in a suitable position within the next 36 months for initial public offering (IPO) and profitable licensing of products to large Pharmaceutical companies for conduction of Phases I-III Clinical Trials in humans. IMI will receive pre-determined milestone payments on the conclusion of each phase of the Clinical Trials for each indication.

There are Biotechnology companies such as Genentech, Amgen and Chiron, which started on a small scale like Immune Modulation, Inc. Twenty years later, these companies continue to operate and conduct business by forging partnerships (through exclusive worldwide licensing) with smaller Biotechnology companies. Presently, these companies are worth billions of dollars. It is envisaged that while IMI continues to conduct R&D to bring products in the pipeline to the forefront, its lead product will be earning income for the company from up-front , milestone and royalty fees through out-licensing of patent rights of its lead compound, hypoestoxide for several indications. For example, Genentech is developing anti-CD11a with XOMA, Ltd. for moderate-to-severe psoriasis. IDEC licensed Rituxan to Genentech for treatment of patients with bulky disease. Genentech signed agreement with UroGenesys, which provides Genentech with exclusive worldwide license to develop antibody-based therapeutics for cancer using prostate stem cell antigen (PSCA) as a target antigen.

*Company Valuation as of June, 1998

Immunosuppressive Market Sales in 1997 (U.S. only)	$492 million
Melanoma Anticancer Market Sales in 1997 (U.S. only)	$225 million
Herpes Simplex Virus Market Sales in 1997 (U.S. only)	$538 million
Grand Total	$1,255 million

*If IMI were to license its patents for each of the above indications at this time for a very conservative 5 % share of the market, IMI would be worth about **$62,750,000.**

***Valuation performed by The Mattson Jack Group West, Phoenix, Az**

Sources: IMS sales data, Current Medical Diagnosis and Treatment, 1998, and The Pharmacological Basis of Therapeutics, 1996

SCHEDULE A

4 - Year Financial Projections

(On completion of IND and Clinical Trials Studies, licensing income from major pharmaceutical companies such as Schering Plough, Elli Lilly & Company , etc.)

Products/Indications	(Minimum Income Estimates/year)*			
	2007	**2008**	**2009**	**2010**
	up-front fees	milestone fees	milestone fees	milestone fees
HE-33 for Immune Suppression	$3,000,000	$6,000,000	$12,000,000	$13,000,000
HE- Genital Herpes	$3,000,000	$6,000,000	$12,000,000	$13,000,000
HE-Anti-inflammation	$3,000,000	$6,000,000	$12,000,000	$13,000,000
HE- Anti-inflammation/RA	$3,000,000	$6,000,000	$12,000,000	$13,000,000
HE- Melanoma	**$3,000,000**	**$6,000,000**	**$12,000,000**	**$13,000,000**
HE- Cervical Cancer	$3,000,000	$6,000,000	$12,000,000	$13,000,000
HE- Renal Cell Carcinoma	$3,000,000	$6,000,000	$12,000,000	$13,000,000
HE- Encephalitis Herpes	$3,000,000	$6,000,000	$12,000,000	$13,000,000
Sub-Total	$24,000,000	$48,000,000	$96,000,000	$104,000,000

Grand Total $272,000,000
(4-Year Projected Potential income for all indications)

***Sources: "BIOWORLD TODAY"** (The Daily Biotechnology Newspaper) and
"BBI NEWS" (A Biomedical Business International Weekly Publication).

NOTES:

Melanoma is a sure indication for HE (Hypoestoxide) because results on the effects of HE on this tumor in mice, have been published in the No.1 Cancer Journal in the world.

THE PROJECTIONS ARE BASED ON PREDICTIONS OF FUTURE EVENTS AND ASSUMPTIONS THAT MAY OR MAY NOT OCCUR, AND THEREFORE, MAY NOT BE RELIED UPON TO INDICATE THE ACTUAL RESULTS THAT WILL OCCUR.

FINANCIAL STATEMENT JULY 1, 2003-JUNE 30, 2004

ANTHONY A. TIONGSON, M.A.

Certified Public Accountant

Telephone (562) 921-3755
Fax (562) 802-9585

13431½ Pumice St.
Norwalk, CA 90650

To the Board of Directors
Immune Modulation, Inc.
2273-B South Cactus Avenue
Bloomington, CA 92316

We have compiled the accompanying balance sheet of Immune Modulation, Inc. as of June 30, 2004, and the related statements of income, retained earnings and cash flows for the fiscal year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Anthony A. Tiongson, CPA

August 25, 2004

IMMUNE MODULATION, INC.
Balance Sheet (Unaudited)
As of June 30, 2004

	Jun 30, 04
ASSETS	
Current Assets	
Checking/Savings	
Cash In Bank-BofA	28.29
Total Checking/Savings	28.29
Other Current Assets	
Inventory-Drug Raw Materials	23,000.00
Total Other Current Assets	23,000.00
Total Current Assets	23,028.29
Fixed Assets	
Furniture and Equipment	
Cost-Furniture & Equipment	179,000.54
A.D.-Furniture & Equipment	-79,674.00
Total Furniture and Equipment	99,326.54
Research and Development Costs	
Cost-R & D Costs	5,861,393.62
A.D.-R & D Costs	-8,460.00
Total Research and Development Costs	5,852,933.62
Greenhouse Farmland Lsehld Impr	
Cost-L.I.	103,000.00
A.D.-L.I.	-13,250.00
Total Greenhouse Farmland Lsehld Impr	89,750.00
Organizational Expense	
Cost-Organizational Expense	165.00
A.A.-Organizational Expense	-165.00
Total Organizational Expense	0.00
Patent	
Cost-Patent	96,664.25
A.A.-Patent	-41,911.00
Total Patent	54,753.25

See Accountant's Compilation Report.

IMMUNE MODULATION, INC.
Balance Sheet (Unaudited)

As of June 30, 2004

Natural Prod. Nigerian Govt Lic	
Cost-License	83,333.34
Total Natural Prod. Nigerian Govt Lic	83,333.34
Start up Costs	
Cost-Start up Costs	91,096.71
A.A.-Start up Costs	-91,096.71
Total Start up Costs	0.00
Total Fixed Assets	6,180,096.75
Other Assets	
Franchise Tax Deposit	600.00
Total Other Assets	600.00
TOTAL ASSETS	**6,203,725.04**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Officers	
Emmanuel Ojo-Amaize	2,179,070.27
Joseph I. Okogun	681,377.00
Emeka Nchekwube	1,127,800.00
Specialty Laboratories	500,000.00
Akinbo Adesomoju	300,000.00
Taamrat Amaize	240,000.00
Howard Cottam	517,046.00
Olusola Oyemade	565,600.00
Surgical Simulation Train. Ctr.	200,000.00
Donna Nchewube	50,000.00
Meley TesfaMichael	50,000.00
Quinetta Cooper	25,000.00
Warren Washington	40,000.00
William Yeh	50,000.00
Anthony Tiongson	10,760.00
Total Due to Officers	6,536,653.27

See Accountant's Compilation Report.

IMMUNE MODULATION, INC.
Balance Sheet (Unaudited)
As of June 30, 2004

Total Other Current Liabilities	6,536,653.27
Total Current Liabilities	6,536,653.27
Total Liabilities	6,536,653.27
Equity	
Retained Earnings	-275,588.61
Net Income	-57,339.62
Total Equity	-332,928.23
TOTAL LIABILITIES & EQUITY	**6,203,725.04**

See Accountant's Compilation Report.

IMMUNE MODULATION, INC.
Profit & Loss (Unaudited)
July 2003 through June 2004

	Jul '03 - Jun 04
Ordinary Income/Expense	
Expense	
Accounting	1,400.00
Amortization Expense	17,604.37
Automobile Expense	284.77
Bank Charges	90.00
Delivery	220.97
Depreciation Expense	35,579.00
Meals and Entertainment	110.14
Office Supplies and Expense	80.00
Taxes and Licenses	1,769.69
Telephone	200.68
Total Expense	57,339.62
Net Ordinary Income	-57,339.62
Net Income	**-57,339.62**

See Accountant's Compilation Report.

IMMUNE MODULATION, INC.
Statement of Cash Flows (Unaudited)
July 2003 through June 2004

	Jul '03 - Jun 04
OPERATING ACTIVITIES	
Net Income	-57,339.62
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Inventory-Drug Raw Materials	-23,000.00
Due From Paraquest, Inc.	25,000.00
Due to Officers:Emmanuel Ojo-Amaize	5,272.27
Due to Officers:Emeka Nchekwube	26,500.00
Net cash provided by Operating Activities	-23,567.35
INVESTING ACTIVITIES	
Furniture and Equipment:A.D.-Furniture & Equipment	27,229.00
Research and Development Costs:Cost-R & D Costs	-5,000.00
Research and Development Costs:A.D.-R & D Costs	5,400.00
Greenhouse Farmland Lsehld Impr:A.D.-L.I.	2,950.00
Patent:Cost-Patent	-25,191.21
Patent:A.A.-Patent	17,603.00
Start up Costs:A.A.-Start up Costs	1.37
Net cash provided by Investing Activities	22,992.16
Net cash increase for period	-575.19
Cash at beginning of period	603.48
Cash at end of period	**28.29**

See Accountant's Compilation Report.

FINANCIAL STATEMENT JULY 1, 2004-JUNE 30, 2005

ANTHONY A. TIONGSON, M.A.

Certified Public Accountant

Telephone (562) 921-3755
Fax (562) 802-9585

13431½ Pumice St.
Norwalk, CA 90650

To the Board of Directors
Immune Modulation, Inc.
2273-B South Cactus Avenue
Bloomington, CA 92316

We have compiled the accompanying balance sheet of Immune Modulation, Inc. as of June 30, 2005, and the related statements of income, retained earnings and cash flows for the fiscal year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Anthony A. Tiongson, CPA

January 10, 2006

IMMUNE MODULATION, INC.
Balance Sheet (Unaudited)
As of June 30, 2005

	Jun 30, 05
ASSETS	
Current Assets	
Checking/Savings	
Cash In Bank-BofA	2,443.02
Total Checking/Savings	2,443.02
Other Current Assets	
Inventory-Drug Raw Materials	23,000.00
Total Other Current Assets	23,000.00
Total Current Assets	25,443.02
Fixed Assets	
Furniture and Equipment	
Cost-Furniture & Equipment	179,000.54
A.D.-Furniture & Equipment	-103,998.00
Total Furniture and Equipment	75,002.54
Research and Development Costs	
Cost-R & D Costs	5,881,253.62
A.D.-R & D Costs	-8,460.00
Total Research and Development Costs	5,872,793.62
Greenhouse Farmland Lsehld Impr	
Cost-L.I.	103,000.00
A.D.-L.I.	-20,117.00
Total Greenhouse Farmland Lsehld Impr	82,883.00
Cost-Organizational Expense	165.00
A.A.-Organizational Expense	-165.00
Total Organizational Expense	0.00
Patent	
Cost-Patent	112,598.16
A.A.-Patent	-41,911.00
Total Patent	70,687.16
Natural Prod. Nigerian Govt Lic	
Cost-License	83,333.34
Total Natural Prod. Nigerian Govt Lic	83,333.34

IMMUNE MODULATION, INC.
Balance Sheet (Unaudited)
As of June 30, 2005

Start up Costs	
Cost-Start up Costs	91,096.71
A.A.-Start up Costs	-91,096.71
Total Start up Costs	0.00
Total Fixed Assets	6,184,699.66
Other Assets	
Franchise Tax Deposit	600.00
Total Other Assets	600.00
TOTAL ASSETS	**6,210,742.68**
LIABILITIES & EQUITY	
Equity	
Paid In Capital	
Common Stock Subscribed	4,816.21
Excess of Issue Price Over Par	4,811,392.06
Subtotal	4,816,208.27
Common Stock	1,762.55
Premium on Common Stock	1,760,782.45
Total Paid In Capital	6,578,753.27
Retained Earnings (Deficit)	-332,928.23
Net Income (Loss)	-35,082.36
Total Equity	6,210,742.68
TOTAL LIABILITIES & EQUITY	**6,210,742.68**

IMMUNE MODULATION, INC.
Profit & Loss (Unaudited)
As of June 30, 2005

	Jul '04 - Jun 05
Ordinary Income/Expense	
Expense	
Automobile Expense	78.15
Bank Charges	78.00
Delivery	196.99
Depreciation Expense	31,191.00
Lab Expense	292.57
Legal Fees	1,744.06
Office Supplies and Expense	160.33
Professional Fees	297.00
Taxes and Licenses	893.84
Telephone	150.42
Total Expense	35,082.36
Net Ordinary Income	-35,082.36
Net Income	**-35,082.36**

IMMUNE MODULATION, INC.
Statement of Cash Flows (Unaudited)
As of June 30, 2005

	Jul '04 - Jun 05
OPERATING ACTIVITIES	
Net Income	-35,082.36
Adjustments to reconcile Net Income	
to net cash provided by operations:	
Due to Officers:Emmanuel Ojo-Amaize	-2,179,070.27
Due to Officers:Joseph I. Okogun	-681,377.00
Due to Officers:Emeka Nchekwube	-1,127,800.00
Due to Officers:Specialty Laboratories	-500,000.00
Due to Officers:Akinbo Adesomoju	-300,000.00
Due to Officers:Taamrat Amaize	-240,000.00
Due to Officers:Howard Cottam	-517,046.00
Due to Officers:Olusola Oyemade	-565,600.00
Due to Officers:Surgical Simulation Train. Ctr.	-200,000.00
Due to Officers:Donna Nchewube	-50,000.00
Due to Officers:Meley TesfaMichael	-50,000.00
Due to Officers:Quinetta Cooper	-25,000.00
Due to Officers:Warren Washington	-40,000.00
Due to Officers:William Yeh	-50,000.00
Due to Officers:Anthony Tiongson	-10,760.00
Net cash provided by Operating Activities	-6,571,735.63
INVESTING ACTIVITIES	
Furniture and Equipment:A.D.-Furniture & Equipment	24,324.00
Research and Development Costs:Cost-R & D Costs	-19,860.00
Greenhouse Farmland Lsehld Impr:A.D.-L.I.	6,867.00
Patent:Cost-Patent	-15,933.91
Net cash provided by Investing Activities	-4,602.91
FINANCING ACTIVITIES	
Paid In Capital:Common Stock Subscribed	4,816.21
Paid In Capital:Excess of Issue Price Over Par	4,811,392.06
Paid In Capital:Common Stock	1,762.55
Paid In Capital:Premium on Common Stock	1,760,782.45
Net cash provided by Financing Activities	6,578,753.27
Net cash increase for period	2,414.73
Cash at beginning of period	28.29
Cash at end of period	**2,443.02**

Capital Requirements

IMI requires a working capital of $6 million for two years to cover operating costs and to conduct the following studies: Complete Toxicology in two species (Dogs and Rodents), Pharmacokinetics, ADME (Absorption, Distribution, Metabolism, Excretion), Compound Extraction and Purification of JO-4 from natural sources, and synthesis of JO-4 metabolites from JO-4. The results of these studies will be used to file an IND which will be used to file an IPO and negotiate with large Pharmaceutical companies for licensing purposes.

Use of Requested Funds

. Complete ADMET & PK studies in dogs & rats (Subcontract).....$1,500,000

. Debt Liquidation (Third party Bank Loan 200,000

. JO-4 isolation and purification from plant (sub-contract) …….. .....1,000, 000

. Operating costs (Travel, Insurance, Shipping, Patent Maintenance-
U.S. & PCT, Office & Lab space lease, Green house lease & operation.....1,300,000

. R & D of JO-4 metabolites and new derivatives.....1,000,000

. Extraction facility, extractors, boilers & other major M & E……...1,000,000

Grand Total ….. **$6,000,000**

Terms of the Investment

IMI's technologies in three different market niches in the U.S. only, could capture 20-25% of each market, to give IMI a net-worth of about **$100 million** (see company valuation). IMI is willing to sell shares of common stock for equity (see PPM).

THE COMPANY WILL RELY UPON THE ACCURACY OF EACH PROSPECTIVE INVESTOR'S REPRESENTATIVES AS SET FORTH IN THE SUBSCRIPTION DOCUMENTS. THE COMPANY MAY REQUIRE ADDITIONAL EVIDENCE THAT A PROSPECTIVE INVESTOR MEETS THE STANDARD SET FORTH IN THIS MEMORANDUM AT ANY TIME PRIOR TO ACCEPTANCE OF A PROSPECTIVE INVESTOR. THE PROSPECTIVE INVESTOR IS NOT REQUIRED TO SUPPLY SUCH INFORMATION, BUT THE COMPANY MAY REJECT AN INVESTOR WHO FAILS TO SUPPLY SUCH INFORMATION.

Investment Risks

JO-4 (HE) and JO-4A are novel pharmaceutical products. Several preliminary laboratory tests *in vitro* and in laboratory mice have been encouraging, including a preliminary acute toxicity study in dogs to establish non-toxicity. However, IMI has not yet demonstrated long-term efficacy in widespread human clinical trials. If JO-4 and its metabolite technologies do not perform as expected, IMI may be required to further develop the technologies or to attempt to develop new alternative products in the pipeline. There is no assurance that IMI could succeed in developing alternative products. A partial or complete failure of JO-4 technologies could result in IMI's loss of its income-earning potential.

Potential Return to Investors

It is anticipated that the proposed studies required for IND application to the FDA will take approximately six months to complete. It could take another six months to obtain an IND approval from the FDA for each indication applied for. Once an IND approval has been obtained, out-licensing agreement negotiation with major pharmaceutical companies who have shown some interest will begin. This process is anticipated to take 3-6 months. IMI will receive up-front licensing fees, which typically will range from **$3-20 million** for an indication. At the conclusion of each of the three Clinical Trials studies (Phase I, II and III), IMI will receive a pre-determined amount of milestone fees if the results are encouraging. The investor(s) will in-turn receive from IMI, an agreed upon equitable percentage of net income derived from said milestone and up-front fees and from subsequent net income of IMI from future royalty fees generated from IMI's products' sales in world-wide and U.S. markets. Furthermore, once IMI obtains an IND for at least one indication, IMI will register with the SEC for an Initial Public Offering (IPO). An investor may then convert his/her common stock equity in IMI to Preferred Stock.

Milestones and Timelines

January 2006 – December 2006	Pre-clinical studies required for IND application depending on funding.
January 2007 – December 2007	Pre-clinical studies contd. and IND Application to FDA
January 2008 – December 2009	PhaseI Clinical Trials (Safety) & Out-Licensing Agreement Negotiations, Registration with SEC, Underwriting Process for IPO.

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Additional Information

Requests for additional information should be directed to officers and directors of IMI at the address and telephone number listed below. IMI will provide the opportunity to any prospective investor(s) to ask questions of and receive answers from its officers or directors about this business plan and will provide such prospective investor(s) the opportunity to obtain additional information to the extent IMI possesses such information or can acquire it without unreasonable effort or expense.

IMMUNE MODULATION, INC.
Attn . : Emmanuel A. Ojo-Amaize, Ph.D.
P.O. Box 998
Bloomington, CA 92316-0998
Phone: (909) 877-4579
Fax : (626) 914-1575

V. **Appendix** (Exhibits)

PART C

IMMUNE MODULATION INC. (IMI)
Subscription Agreement

Immune Modulation, Inc. (IMI)
2273 South Cactus Avenue, Suite B
Bloomington, CA 92316

Gentlemen:

You have informed the undersigned (the "Purchaser") that IMI, a Delaware corporation, (the "Company") wishes to raise a minimum of Three Million ($3,000,000) and a maximum of Six Million Dollars ($6,000,000) from various persons by selling up to 2,000,000 shares of the Company's Common Stock, $0.001 par value (the "Shares"), at a price of Three Dollars ($3.00) per Share.

I have received, read, and understand the Limited Offering Memorandum dated February 1, 2006 (the "Memorandum"). I further understand that my rights and responsibilities as a Purchaser will be governed by the terms and conditions of this Subscription Agreement, the Memorandum and the Shares (the "Share Documents"). I understand that you will rely on the following information to confirm that I am an "Accredited Investor", as defined in Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or one of 35 Non-Accredited Investors that will be allowed to purchase Shares in this Offering (subject to Company approval), and that I am qualified to be a Purchaser.

This Subscription Agreement is one of a number of such subscriptions for Shares. By signing this Subscription Agreement, I offer to purchase and subscribe from the Company the number of Shares set forth below on the terms specified herein. The Company reserves the right, in its complete discretion, to reject any subscription offer or to reduce the number of Shares allotted to me. If this offer is accepted, the Company will execute a copy of this Subscription Agreement and return it to me. I understand that commencing on the date of this Memorandum all funds received by the Company in full payment of subscriptions for Shares will be deposited in an escrow account. The Company has set a minimum offering proceeds figure of $3,000,000 for this Offering. The Company has established an Investment Holding Account with **(Bank of The West, Immune Modulation, Inc.'s Escrow Account # 677-080293; Routing # 12110782),** into which the minimum offering proceeds will be placed. At least 1,000,000 Shares must be sold for $3,000,000 before such proceeds will be released from the escrow account and utilized by the Company. After the minimum number of Shares are sold, all proceeds from the sale of Shares will be delivered directly to the Company and be available for its use.

1. Accredited Investor. I am an Accredited Investor because I qualify within one of the following categories:

Please Check The Appropriate Category

_____ $1,000,000 Net Worth.
A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds $1,000,000.

_____
Purchaser's Initials

_____ $200,000/$300,000 Income.
A natural person who had an individual income in excess of $200,000 (including contributions to qualified employee benefit plans) or joint income with such person's spouse in excess of $300,000 per year in each of the two most recent years and who reasonably expects to attain the same individual or joint levels of income (including such contributions) in the current year.

_____ Director or Officer of Issuer.
Any director or executive officer of the Company

_____ All Equity Owners In Entity Are Accredited.
An entity, (i.e. corporation, partnership, trust, IRA, etc.) in which all of the equity owners are Accredited Investors as defined herein.

_____ Corporation.
A corporation not formed for the specific purpose of acquiring the Shares offered, with total assets in excess of $5,000,000.

_____ Other Accredited Investor.
Any natural person or entity which qualifies as an Accredited Investor pursuant to Rule 501(a) of Regulation D promulgated under the Act; specify basis for qualification:

_____

_____

_____

_____One of 35 Non-Accredited Investors that may be allowed to invest in the offering

2. Representations and Warranties. I represent and warrant to the Company that:

(a) I (i) have adequate means of providing for my current needs and possible contingencies and I have no need for liquidity of my investment in the Shares, (ii) can bear the economic risk of losing the entire amount of my investment in Shares, and (iii) have such knowledge and experience that I am capable of evaluating the relative risks and merits of this investment; (iv) the purchase of Shares is consistent, in both nature and amount, with my overall investment program and financial condition.

(b) The address set forth below is my true and correct residence, and I have no intention of becoming a resident of any other state or jurisdiction.

(c) I have not utilized the services of a "Purchaser Representative" (as defined in

Regulation D promulgated under the Securities Act) because I am a sophisticated, experienced investor, capable of determining and understanding the risks and merits of this investment.

_____
Purchaser's Initials

(d) I have received and read, and am familiar with the Share Documents, including the Memorandum and the forms of certificate for Shares. All documents, records and books pertaining to the Company and the Shares requested by me, including all pertinent records of the Company, financial and otherwise, have been made available or delivered to me.

(e) I have had the opportunity to ask questions of and receive answers from the Company's officers and representatives concerning the Company's affairs generally and the terms and conditions of my proposed investment in the Shares.

(f) I understand the risks implicit in the business of the Company. Among other things, I understand that there can be no assurance that the Company will be successful in obtaining the funds necessary for its success. If only a fraction of the maximum amount of the Offering is raised, the Company may not be able to expand as rapidly as anticipated, and proceeds from this Offering may not be sufficient for the Company's long term needs.

(g) Other than as set forth in the Memorandum, no person or entity has made any representation or warranty whatsoever with respect to any matter or thing concerning the Company and this Offering, and I am purchasing the Shares based solely upon my own investigation and evaluation.

(h) I understand that no Shares have been registered under the Securities Act, nor have they been registered pursuant to the provisions of the securities or other laws of applicable jurisdictions.

(i) The Shares for which I subscribe are being acquired solely for my own account, for investment and are not being purchased with a view to or for their resale or distribution. In order to induce the Company to sell Shares to me, the Company will have no obligation to recognize the ownership, beneficial or otherwise, of the Shares by anyone but me.

(j) I am aware of the following:

(i)The Shares are a speculative investment which involves a high degree of risk; and

(ii) My investment in the Shares is not readily transferable; it may not be possible for me to liquidate my investment.

(iii) The financial statements of the Company have merely been compiled, and have not been reviewed or audited.

(iv) There are substantial restrictions on the transferability of the Shares registered under the Securities Act; and

_____
Purchaser's Initials

(v) No federal or state agency has made any finding or determination as to the fairness of the Shares for public investment nor any recommendation or endorsement of the Shares;

(k) Except as set forth in the Memorandum, none of the following information has ever been represented, guaranteed, or warranted to me expressly or by implication, by any broker, the Company, or agents or employees of the foregoing, or by any other person:

(i) The appropriate or exact length of time that I will be required to hold the Shares;

(ii) The percentage of profit and/or amount or type of consideration, profit, or loss to be realized, if any, as a result of an investment in the Shares; or

(iii) That the past performance or experience of the Company, or associates, agents, affiliates, or employees of the Company or any other person, will in any way indicate or predict economic results in connection with the purchase of Shares;

(iv) The amount of dividends or distributions that the Company will make;

(l) I have not distributed the Memorandum to anyone, no other person has used the Memorandum, and I have made no copies of the Memorandum; and

(m) I hereby agree to indemnify and hold harmless the Company, its officers, directors, and representatives from and against any and all liability, damage, cost or expense, including reasonable attorneys fees, incurred on account of or arising out of:

(i) Any inaccuracy in the declarations, representations, and warranties set forth above;

(ii) The disposition of any of the Shares by me which is contrary to the foregoing declarations, representations, and warranties; and

(iii) Any action, suit or proceeding based upon (1) the claim that said declarations, representations, or warranties were inaccurate or misleading or otherwise cause for obtaining damages or redress from the Company; or (2) the disposition of any of the Shares.

(n) By entering into this Subscription Agreement, I acknowledge that the Company is relying on the truth and accuracy of my representations.

The foregoing representation and warranties are true and accurate as of the date hereof, shall be true and accurate as of the date of the delivery of the funds to the Company and

shall survive such delivery. If, in any respect, such representations and warranties are not true and accurate prior to delivery of the funds, I will give written notice of the fact to the Company, specifying which representations and warranties are not true and accurate and the reasons therefor.

_____
Purchaser's Initials

3. Transferability. I understand that I may sell or otherwise transfer my Shares only if registered under the Securities Act or I provide the Company with an opinion of counsel acceptable to the Company to the effect that such sale or other transfer may be made in absence of registration under the Securities Act. I have no right to cause the Company to register the Shares. Any certificates or other documents representing my Shares will contain a restrictive legend reflecting this restriction, and stop transfer instructions will apply to my Shares.

4. Indemnification. I understand the meaning and legal consequences of the representations and warranties contained in Paragraph 2 hereof, and I will indemnify and hold harmless the Company, its officers, directors, and representatives involved in the offer or sale of the Shares to me, as well as each of the managers and representatives, employees and agents and other controlling persons of each of them, from and against any and all loss, damage or liability due to or arising out of a breach of any representation or warranty of mine contained in this Subscription Agreement.

5. Revocation. I will not cancel, terminate or revoke this Subscription Agreement or any agreement made by me hereunder and this Subscription Agreement shall survive my death or disability.

6. Termination of Agreement. If this subscription is rejected by the Company, then this Subscription Agreement shall be null and void and of no further force and effect, no party shall have any rights against any other party hereunder, and the Company shall promptly return to me the funds delivered with this Subscription Agreement.

7. Miscellaneous.

(a) This Subscription Agreement shall be governed by and construed in accordance with the substantive law of the State of Delaware

(b) This Subscription Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and may be amended only in writing and executed by all parties.

8. Ownership Information. Please print here the total number of Shares to be purchased, and the exact name(s) in which the Shares will be registered.

Total Shares: _____

Name(s):_____

_____ Single Person
_____ Husband and Wife, as community property
_____ Joint Tenants (with right of survivorship)

_____ Tenants in Common
_____ A Married Person as separate property
_____ Corporation or other organization
_____ A Partnership
_____ Trust
_____ IRA

_____
Purchaser's Initials

_____ Tax-Qualified Retirement Plan
(i) Trustee(s)/ Custodian_____
(ii) Trust Date_____
(iii) Name of Trust_____
(iv) For the Benefit of_____

_____ Other: _____
(Please explain)

Social Security or Tax I.D. #: _____

Residence Address:

_____
Street Address

_____
City State Zip

Mailing Address: (Complete only if different from residence)

_____
Street Address (If P.O.Box, include address for surface delivery if different than residence)

_____
City State Zip

Phone Numbers

Home: (_____)_____

Business: (_____)_____

Facsimile: (_____)_____

_____
Purchaser's Initials

9. Date and Signatures. Dated _____, 2006.

Signatures Purchaser Name (Print)

_____ _____

_____ _____
(Each co-owner or joint owner must sign - Names must be signed exactly as listed under "Purchaser Name")

ACCEPTED:

Immune Modulation Inc. (IMI)

By:_____ Dated:_____, 2006
Emmanuel A. Ojo-Amaize, Ph.D.
President & CEO

_____
Purchaser's Initials

Immune Modulation Inc. (IMI)

Investor Suitability Questionnaire

To: Prospective purchasers of Shares of Common Stock (the "Shares") offered by IMI (the "Company").

The Purpose of this Questionnaire is to solicit certain information regarding your financial status to determine whether you are an "Accredited Investor," as defined under applicable federal and state securities laws, and otherwise meet the suitability criteria established by the Company for purchasing Shares. ***This questionnaire is not an offer to sell securities***.

Your answers will be kept as confidential as possible. You agree, however, that this Questionnaire may be shown to such persons as the Company deems appropriate to determine your eligibility as an Accredited Investor or to ascertain your general suitability for investing in the Shares.

Please answer all questions completely and execute the signature page

A. Personal

1. Name: _____

2. Address of Principal Residence: _____

_____ County: _____

3. Residence Telephone: (_____) _____

4. Where are you registered to vote? _____

5. Your driver's license is issued by the following state: _____

6. Other Residences or Contacts: Please identify any other state where you own a residence, are registered to vote, pay income taxes, hold a driver's license or have any other contacts, and describe your connection with such state:

_____

_____

7. Please send all correspondence to:

(1)_____ Residence Address (as set forth in item A-2)

(2)_____ Business Address (as set forth in item B-1)

8. Date of Birth: _____

9. Citzenship: _____

10. Social Security or Tax I.D. #:_____

B. Occupations and Income

1. Occupation: _____

(a) Business Address: _____

_____

(b) Business Telephone Number: (_____) _____

2. Gross income during each of the last two years exceeded:

(1)_____$25,000 (2) _____$50,000

(3)_____$100,000 (4) _____$200,000

3. Joint gross income with spouse during each of the last two years exceeded $300,000

(1)_____Yes (2) _____No

4. Estimated gross income during current year exceeds:

(1)_____$25,000 (2) _____$50,000

(3)_____$100,000 (4) _____$200,000

5. Estimated joint gross income with spouse during current year exceeds $300,000

(1)_____Yes (2) _____No

C. Net Worth

1. Current net worth or joint net worth with spouse (note that "net worth" includes all of the assets owned by you and your spouse in excess of total liabilities, including the fair market value, less any mortgage, of your principal residence.)

(1)_____$50,000-$100,000 (2)_____$100,000-$250,000 (3)_____$250,000-$500,000

(4)_____$500,000-$750,000 (5)_____$750,000-$1,000,000 (6)_____over $1,000,000

2. Current value of liquid assets (cash, freely marketable securities, cash surrender value of life insurance policies, and other items easily convertible into cash) is sufficient to provide for current needs and possible personal contingencies:

(1)_____Yes (2) _____No

D. Affiliation with the Company

Are you a director or executive officer of the Company?

(1)_____Yes (2) _____No

E. Investment Percentage of Net Worth

If you expect to invest at least $150,000 in Shares, does your total purchase price exceed 10% of your net worth at the time of sale, or joint net worth with your spouse.

(1)_____Yes (2) _____No

F. Consistent Investment Strategy

Is this investment consistent with your overall investment strategy?

(1)_____Yes (2) _____No

G. Prospective Investor's Representations

The information contained in this Questionnaire is true and complete, and the undersigned understands that the Company and its counsel will rely on such information for the purpose of complying with all applicable securities laws as discussed above. The undersigned agrees to notify the Company promptly of any change in the foregoing information which may occur prior to any purchase by the undersigned of securities from the Company.

Prospective Investor:

_____ Date: _____, 2006
Signature

_____
Signature (of joint purchase if purchase is to be made as joint tenants or as tenants in common)