BioMETRX
Form 10QSB/A
February 09, 2007

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

FORM 10-QSB/A

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarter Period Ended September 30, 2005 — Commission File No. 0-15807

BIOMETRX, INC.
(Exact name of Registrant as specified in its Charter)

Delaware	31-1190725
(State or jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

500 North Broadway, Suite 204, Jericho, NY	11753
(Address of Principal Executive Office)	(Zip Code)

Registrant's telephone number, including area code: (516) 937-2828

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for a shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes |X| No |_|

The number of shares outstanding of the Registrant's Common Stock, $.001 par value, as of November 16, 2005 was 16,430,986.

EXPLANATORY NOTE

bioMETRX, Inc. (the "Company") is filing this Form 10-QSB/A to amend certain parts of the cover page, Part 1, Items 1, 2 and 3 of the Form 10-QSB for the quarter ended September 30, 2005, which was previously filed with the Securities and Exchange Commission (the "SEC") on November 18, 2005. This amendment is being filed to restate the financial statements for the quarter ended September 30, 2005 to reflect the impact of the following changes during this period (i) penalty shares issued and valued at $230,000 that was originally charged to additional paid-in capital have been charged to operations; and (ii) common stock purchase options and warrants that were originally deferred have been charged to operations during this period for a net change of $298,125.

Except for the amendments described above, this Form 10-QSB/A does not modify or update the disclosures in, or exhibits to, the Form 10-QSB.

PART I - FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS (UNAUDITED)

MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES
(A Development Stage Company)
CONDENSED CONSOLIDATED BALANCE SHEET
September 30, 2005
(Unaudited)

MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES
(A Development Stage Company)
CONDENSED CONSOLIDATED BALANCE SHEET
September 30, 2005
(Unaudited)

Current Assets:	
Cash	$ 59,507
Restricted Cash	69,126
Marketable Securities	819
Loans Receivable- Stockholder/Officer	201,598
-Employee	3,000
Prepaid Expenses	27,669
Total Current Assets	361,719
Other Current Assets:	
Security Deposit	5,860

TOTAL ASSETS	$ 367,579
LIABILITIES & STOCKHOLDERS' DEFICIT	
Current Liabilities:	
Accrued Taxes Payable and Accrued Expenses	$ 200,637
Payroll Taxes Payable	37,003
Commissions Payable	52,500
Accrued Compensation- Stockholder/Officer	264,000
Total Current Liabilities	554,140
TOTAL LIABILITIES	554,140
Commitments and Contingencies	
Stockholders' Deficit:	
Preferred Stock, $.10 par value; 10,000,000 share authorized, 0 issued and outstanding	
Common Stock, $.001 par value; 50,000,000 shares authorized, 17,458,999 shares issued and outstanding	17,459
Additional Paid-In-Capital	10,480,657
Deferred Compensation	(140,000)
Deficit Accumulated During the Development Stage	(10,544,677)
Total Stockholders' Deficit	(186,561)
TOTAL LIABILITIES & STOCKHOLDERS DEFICIT	$ 367,579

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

MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES
(A Development Stage Company)
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30, 2005	THREE MONTHS ENDED SEPTEMBER 30, 2004	NINE MONTHS ENDED SEPTEMBER 30, 2005	M SEP

REVENUES	--	--	--	
Expenses:				
General and Administrative Expenses	845,124	144,766	8,686,806	
Research and Development Expenses	71,658	44,817	259,928	
Unrealized Loss on Marketable Securities	16,211	--	20,574	
TOTAL EXPENSES	932,993	189,583	8,967,308	
NET LOSS	$ (932,993)	$ (189,583)	$ (8,967,308)	$
Weighted Average Shares Outstanding	17,298,480	12,058,188	14,840,808	1
Net Loss per Share (Basic and Diluted)	$ (0.05)	$ (0.02)	$ (0.60)	$

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

MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES
(A Development Stage Company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30, 2005	NINE MONTHS ENDED SEPTEMBER 30, 2004
Cash Flows from Operating Activities:		
Net Loss	$ (8,967,308)	$ (528,448)
Adjustment to reconcile net loss to net cash used in operating activities:		
Compensatory Element of Stock and Option Issuances	6,093,750	43,750
Unrealized Loss on Marketable Securities	5,726	0
Increase (Decrease) in operating assets and liabilities:		
Employee Loan Receivable	(3,000)	--
Prepaid Expenses	(27,669)	--
Security Deposit	(5,860)	--
Accounts Payable and Accrued Expenses	1,759,320	--

Payroll Taxes Payable	10,369	5,220
Accrued Compensation- Stockholder/Officers	134,000	315,000
Net Cash Used in Operating Activities	(1,000,672)	(164,478)
Financing Activities		
Repayment of Loans from Officer	(107,490)	--
Restricted Cash	(24,126)	--
Proceeds of loans	--	--
Loan Payments to stockholder	(81,816)	(146,840)
Proceeds from Sales of Common Stock	1,440,000	327,500
Merger Related Advances	(75,000)	--
Expenses on Sales of Common Stock	(122,500)	--
Net Cash provided by Financing Activities	1,029,068	180,660
Net Increase (Decrease) in Cash	28,396	16,182
Cash, Beginning	31,111	116
Cash, End	$ 59,507	$ 16,298

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

MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES
(A Development Stage Company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Continued)
(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30, 2005	NINE MONTHS ENDED SEPTEMBER 30, 2004
Supplemental Cash Flow Information:		
Cash Paid During the Period for:		
Interest	$ --	$ --
Income Taxes	$ --	$ --
Supplemental Disclosure of Cash Flow Information:		
Non-Cash Financing Activities:		

Common Stock issued as Commissions on Sale of Common Stock	$ 10,000	$ --
Accrued Commissions on Sales of Common Stock	$ 52,500	$ --
Issuance of Common Stock as Payment of Accrued Officers' Salaries	$ 470,000	$ --
Issuance of Common Stock for Services- Deferred Compensation	$ 390,000	$ --
Application of Loans Receivable- Officer Against Accrued Compensation	$ 180,000	$ --
s		
Issuance of Common Stock in Payment of Accrued Expenses	$ 1,825,000	$ --

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

BIOMETRX, INC. AND SUBSIDIARIES
(FORMERLY MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES)
(A Development Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of bioMetrx, Inc. and its wholly owned subsidiaries ("the Company"). All significant inter-company accounts and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of the Company's management, the accompanying condensed consolidated financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly the consolidated financial position and results of operations and cash flows for the periods presented.

Results of operations for interim periods are not necessarily indicative of the results of operations for a full year.

Certain items in these condensed consolidated financial statements have been reclassified to conform to the current period presentation.

The condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company is a development stage company and has incurred recurring losses from operations and operating cash constraints that raises substantial doubt about the Company's ability to continue as a going concern.

There can be no assurance that sufficient funds required during the next year or thereafter will be generated from operations or that funds will be available from external sources such as debt or equity financings or other potential sources. The lack of additional capital resulting from the inability to generate cash flow from operations or to raise capital from external sources would force the Company to substantially curtail or cease operations and would, therefore, have a material adverse effect on its business. Furthermore, there can be no assurance that any such required funds, if available, will be available on attractive terms or that they will not have a significant dilutive effect on the Company's existing stockholders.

NOTE 2- ORGANIZATION AND NATURE OF OPERATIONS

REVERSE ACQUISITION - On May 27, 2005, Marketshare Recovery, Inc. ("Marketshare") completed the merger ("Merger") of Marketshare Merger Sub, Inc. a wholly owned subsidiary of Marketshare ("Merger Sub") with bioMetrx Technologies, Inc. a Delaware corporation ("bioMetrx") pursuant to the Agreement and Plan of Merger dated April 27, 2005, by and among Marketshare, Merger Sub and bioMetrx ("Merger Agreement").

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BIOMETRX, INC. AND SUBSIDIARIES
(FORMERLY MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES)
(A Development Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 2- ORGANIZATION AND NATURE OF OPERATIONS (CONTINUED)

REVERSE ACQUISITION (CONTINUED) - On June 1, 2005 (the Effective Date"), Merger Sub filed a Merger Certificate completing the acquisition of bioMetrx. The consideration for the Merger was 14,218,424 restricted shares of the Company's common stock and the issuance of 182,029 Common Stock Purchase Warrants to the holders of corresponding instruments of bioMetrx. The Merger was completed according to the terms of the Merger Agreement. Simultaneously with the Merger, certain stockholders of the Company surrendered 2,208,521 shares of the Company's common stock which was cancelled and returned to the status of authorized and unissued. In addition, 300,000 shares of the Company's common stock were deposited by these stockholders into escrow to cover contingent liabilities, if any. As a result of the Merger, bioMetrx was merged into the Merger Sub and became a wholly owned subsidiary of the Company.

Since the Company had no meaningful operations immediately prior to the Merger, the Merger will be treated as a reorganization of bioMetrx via a reverse merger with the Company for accounting purposes.

The 14,218,424 shares and the shares issuable upon the exercise of 182,029 warrants issued as part of Merger to the former bioMetrx stockholders represent approximately 91% of the total outstanding post-merger stock.

ORGANIZATION - bioMetrx was incorporated with the name "M2 Extreme Sports Centers, Inc." in the State of Delaware on February 1, 2001. On November 8, 2001 the bioMetrx's certificate of incorporation was amended to change its name to "Biostat Technologies S.P.A., Inc." and 1500 shares of no par common voting stock was issued to the sole shareholder for $1.00 per share. On April 1, 2002 the certificate of Incorporation was amended to:

1) Change the corporation's name to "Biometrx Technologies, Inc.
2) Increase the total number of shares that the corporation is authorized to issue to 10,000,000 common shares, each with a par value of $.001.
3) Authorize a 4000 to 1 split of then outstanding common shares

In December 2004, the Board of Directors authorized an increase of bioMetrx's common stock from 10,000,000 to 20,000,000 shares, each having a par value of $.001.

On September 30, 2005 the Company formed two subsidiary companies, smartTOUCH Medical, Inc. and smartTOUCH Security Inc. The two subsidiaries were incorporated in the State of Delaware. smartTOUCH Security, Inc. tests and markets the Company's biometrically secured garage door openers, thermostats, deadbolts and home alarm keypads. smartTOUCH Medical, Inc. designs, tests and markets biometrically secured medical crash carts, rolling medicine carts, portable patient medical information devices and, security and retrieval systems for electronic medical records.

NOTE 2- ORGANIZATION AND NATURE OF OPERATIONS (CONTINUED)

ORGANIZATION (Continued) - On October 10, 2005 the Company changed its name to bioMETRX, Inc., and was also assigned a new ticker symbol (BMTX.ob). The name change to bioMETRX, Inc., will help the Company establish brand and company name recognition as one of the most diverse biometrics-based holding company in the United States.

NATURE OF OPERATIONS- The Company is a developer of proprietary biometrics-based products for the home security and electronics market, located on Long Island, New York.

The Company is focused on developing a line of home security products called smartTouchtm which includes biomedical enabled residential door locks, central station alarm keypads, thermostats and garage/ gate openers. Its products utilize fingerprints recognition technology designed to augment or replace conventional security methods such as keys, keypads, and PIN numbers. The Company develops market- specific products in home security which it plans either be licensed or sold through manufacturers/ retailers worldwide when deemed commercially viable.

NOTE 3 - RESTRICTED CASH

Restricted cash represents cash held in escrow by corporate counsel in connection with the sale of common stock and in contemplation of the proposed merger. Such restricted cash should be released after satisfaction of certain requirements of the merger agreement (see Note 2).

NOTE 4 - STOCKHOLDERS' DEFICIT

bioMetrx was incorporated with the name "M2 Extreme Sports Centers, Inc." in the State of Delaware on February 1, 2001. On November 8, 2001 the bioMetrx's certificate of incorporation was amended to change its name to "Biostat Technologies S.P.A., Inc." and 1500 shares of no par common voting stock was issued to the sole shareholder for $1.00 per share. On April 1, 2002 the certificate of Incorporation was amended to:

1) Change the corporation's name to "Biometrx Technologies, Inc.
2) Increase the total number of shares that the corporation is authorized to issue to 10,000,000 common shares, each with a par value of $.001.
3) Authorize a 4000 to 1 split of then outstanding common shares

In December 2004, the Board of Directors authorized an increase of bioMetrx's common stock from 10,000,000 to 20,000,000 shares, each having a par value of $.001.

During the quarter ended March 31, 2005 the Company sold 500,000 shares of common stock for $200,000 ($.40 per share).

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BIOMETRX, INC. AND SUBSIDIARIES
(FORMERLY MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES)
(A Development Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4 - STOCKHOLDERS' DEFICIT (CONTINUED)

During the quarter ended March 31, 2005 the Company sold 850,000 shares of common stock for $425,000 ($.50 per share).

During the quarter ended March 31, 2005 the Company sold 80,000 shares of common stock for $80,000 ($1 per share).

During the quarter ended March 31, 2005 the Company issued 100,000 shares of common stock valued at $100,000 ($1 per share) for services pursuant to consulting agreements.

In April 2005 the Company entered into a consulting agreement with Steven Horowitz and Arnold Kling, for general financial consulting services in connection with potential merger and fund raising activities. In connection with this agreement the Company issued 500,000 shares of common stock valued at $1 per share.

The Company issued 700,000 shares of common stock valued at $.50 cents per share to Mark Basile/CEO for accrued payroll owed him. The Company issued 240,000 shares of common stock valued at $.50 cents per share to Steven Kang for accrued payroll owed him.

On July 5, 2005 the Company's Board of Directors resolved to the following common stock and stock option issuances:

- o 750,000 shares of common stock to an employee; 500,000 shares immediately and 250,000 shares on the second anniversary of his four year employment contract (see Note 7).
- o 750,000 common stock purchase options, exercise price $.50 per share, to an employee (see above).
- o 750,000 common stock purchase options, exercise price $.50 per share, to the Company's CEO.

During the quarter ended September 30, 2005 the Company issued 10,000 shares of common stock upon exercise of options by its Chief Financial Officer and its Chief Operating Officer.

During the quarter ended September 30, 2005 the Company issued 500,000 shares of common stock to Stephen Kang, valued at $1,825,000, pursuant to his employment contract (see above).

During the quarter ended September 30, 2005 the Company issued 200,000 shares of common stock valued at $230,000 as a penalty for non registration of shares (see Note 8).

During the quarter ended September 30, 2005 the Company entered into a one year consulting contract with Steven Horowitz and Arnold Kling to provide general corporate services, and in connection therewith the Company issued 250,000 common stock purchase warrants valued at $252,500.

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BIOMETRX, INC. AND SUBSIDIARIES
(FORMERLY MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES)
(A Development Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4 - STOCKHOLDERS' DEFICIT (CONTINUED)

At September 30, 2005 the Company had warrants outstanding as follows:

Exercise Price	Shares	Expiration Date
$ 0.50	250,000	September 7, 2012
$ 0.60	37,333	July 5, 2010
$ 0.70	36,406	July 5, 2006
$ 0.70	37,333	July 5, 2010
$ 0.80	36,406	July 5, 2007
$ 0.80	37,333	July 5, 2010
$ 0.90	36,405	July 5, 2008
$ 0.90	37,333	July 5, 2010
$ 1.00	36,404	July 5, 2009
$ 1.00	37,334	July 5, 2010
	582,287	

At September 30, 2005 the Company had options outstanding as follows:

Exercise Price	Shares	Expiration Date
$ 0.10	50,000	December 1, 2005
$ 0.10	50,000	June 1, 2006
$ 0.50	1,500,000	July 1, 2010
	1,600,000	

NOTE 5 - LOSS PER SHARE

Loss per common share is based upon the weighted average number of common shares outstanding during the periods.

The common stock issued and outstanding with respect to the pre-merger Marketshare stockholders has been included since January 1, 2004.

Diluted loss per common share is the same as basic loss per share, as the effect of potentially dilutive securities (options and warrants) are anti-dilutive.

NOTE 6- RELATED PARTY TRANSACTIONS

OFFICER/SHAREHOLDER ADVANCES - These advances are non-interest bearing, unsecured, and payable on demand. These advances were made to the Company's CEO and majority stockholder.

BIOMETRX, INC. AND SUBSIDIARIES
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(Unaudited)

NOTE 6- RELATED PARTY TRANSACTIONS (CONTINUED)

DUE FROM RELATED PARTY - This amount represents funds advanced in connection with the Company's reverse merger (see Note 2).

NOTE 7 - COMMITMENTS AND CONTINGENCIES

In December 2002 the Company entered into a five year employment agreement with Mark Basile (CEO and a significant stockholder) for a base annual salary of $360,000 per year. Accrual of compensation may be converted into shares of the Company's common stock at $.50 cents per share, which can be exercised at anytime after each twelve months of service, but in no event, shall cash compensation be less than $60,000 per annum. For the nine months ended September 30, 2005 and 2004 there was $316,000 and $45,000 of salary paid.

In January 2004, the Company entered into a four year employment agreement with Steven Kang (Engineer and a stockholder) for a base annual salary of $120,000 per year. The agreement has the same terms as the above, except, that in no event, shall cash compensation be less than $20,000 per annum. For the nine months ended September 30, 2005 and 2004 there was $114,000 and $0 salary paid.

The Company entered into a Finder's Fee Agreement on March 11, 2005 whereby the Company will compensate the Finder 15% cash for funds raised by the Finder and shares of the Company's common stock equal to 15% of the amount of the financing attained by the Finder.

In April 2005 the Company entered into two short term research and development agreements aggregating $220,000.

On June 1, 2005 the Company entered into employment agreements with a new Chief Financial Officer and a new Chief Operating Officer. Each agreement calls a for base salary of $18,000 for services on a part-time basis. If after the initial term the Company elects to continue the officer on a full time basis, the annual salaries will increase to $80,000 for the Chief Financial Officer and $90,000 for the Chief Operating Officer. The employment agreements also provide for discretionary bonuses and other employment related benefits. Both agreements also call for the granting of stock options to purchase 100,000 shares at $.10 per share of the Company's common stock at various times through the term of the agreement. Both agreements have an initial term of one year with an additional one year extension.

On September 21, 2005 the Company entered into two twelve month consulting agreements with STEVEN A. HOROWITZ and ARNOLD P. KLING (the "Consultants"). The Consultants will aid the Company's management with its business plan and operational tasks; assisting management with identifying potential strategic partnerships and licensing and joint venture opportunities for the Company's products and services. As compensation, the Company issued, to each Consultant, Warrants to purchase a total of 125,000 shares of the Company's common stock, exercisable during the seven year period following issuance at an exercise price of $.50 per share.

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BIOMETRX, INC. AND SUBSIDIARIES
(FORMERLY MARKETSHARE RECOVERY, INC. AND SUBSIDIARIES)
(A Development Stage Company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 8 - SUBSEQUENT EVENTS

On October 10, 2005 the Company changed its name to bioMETRX, Inc., and was also assigned a new ticker symbol (BMTX.ob). The name change to bioMETRX, Inc., will help the company establish brand and company name recognition as one of the most diverse biometrics-based holding company in the United States.

On October 28, 2005 the Company entered into a subscription agreement with Russell Kuhn (the "Purchaser") for the private sale of its securities to the Purchaser as well as granting the Purchaser "piggy-back" registration rights. The securities sold were Two Million Two Hundred Fifty Thousand (2,250,000) shares of the Registrant's common stock (the "Shares") and warrants (the "Warrants") to purchase an additional Two Million Two Hundred Fifty Thousand (2,250,000) shares at an aggregate purchase price of $450,000 or $.20 per share without allocating any part of the purchase price for the Warrants.

The Warrants entitle the holder to purchase shares of the Company's common stock reserved for issuance thereunder (the "Warrant Shares") for a period commencing on the date of issuance and expiring on December 15, 2005 at an exercise price of $.20 per share.

Pursuant to a previous Subscription Agreement between the Company and the Purchaser, the Company represented that it intends to file a Registration Statement with the Securities and Exchange Commission within 45 days from the closing date and granted the Purchaser "piggy-back" registration rights for the Shares with respect to such Registration Statement.

Simultaneously herewith the Company issued an additional 300,000 shares of its common stock to the Purchaser. These shares represent penalty shares as a result of the Company's failure to register certain shares previously purchased by the Purchaser in other financing transactions between the Purchaser and the Company.

As a result of these transactions, the Purchaser owns approximately 21.7% of the issued and outstanding shares of the Company's common stock. This amount does not reflect an additional 2,250,000 shares which may be obtained by the Purchaser from the exercise of the Warrants described above, plus an additional 503,234 warrants owned by the Purchaser prior to the consummation of this transaction.

The Company will utilize the proceeds from this offering for general working capital.

On November 7, 2005 the Company entered into a two year consulting agreement with a consultant. The agreement calls for the issuance of 250,000 shares of the Company's common stock upon execution of the agreement and an additional 250,000 shares of common stock upon the one year anniversary of this agreement. The consultant shall be paid a monthly retainer of $2,500 per month in addition to reimbursement of travel and other related expenses incurred. The consulting agreement contains a clause that in the event the Company spins off its newly formed subsidiary, smartTOUCH Medical, Inc. (see Note 2), the consultant shall have the right to acquire a 20% stake in such subsidiary for an aggregate purchase price of $10,000.

NOTE 9 - RESTATEMENT

The Company has amended this Quarterly Report on Form 10-QSB for the quarter ended September 30, 2005 to reflect the impact of the following current period changes: (i) penalty shares issued and valued at $230,000 that were originally charged to additional paid-in capital have been charged to operations; and (ii) common stock purchase options and warrants that were originally deferred have been charged to operations for a net charge of $298,125. The following schedule provides disclosure of the effects of the restatement.

	September 30, 2005 as previously reported	September 30, 2005 as corrected	Change
Total Assets	$ 367,579	$ 367,579	$ --
Total Liabilities	$ 554,140	$ 554,140	$ --
Total Stockholders' Deficit	$ (186,561)	$ (186,561)	$ --

	For the Nine Months Ended September 30, 2005 as previously reported	For the Nine Months Ended September 30, 2005 as corrected	Change
Net Loss	$ (8,439,183)	$ (8,967,308)	$ (528,125)
Loss Per Common Share	$ (.56)	$ (.60)	$ (.04)

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ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BACKGROUND

Pursuant to an Acquisition Agreement and Plan of Merger dated June 13, 2003 (the "Merger Agreement"), by and among Health & Leisure, Inc (the" Registrant"); Venture Sum, Inc., a Delaware corporation and a wholly owned subsidiary of Registrant ("Mergerco"); and MarketShare Recovery, Inc., a NewYork corporation, ("MKSR"), Mergerco merged with and into MKSR, and MKSR became a wholly owned subsidiary of the Registrant. The merger became effective June 13, 2003, (the "Effective Date,") however closing of the Agreement occurred on July 15, 2003. Subsequently, Health & Leisure, Inc. filed an amendment to its certificate of incorporation and thereby changed its name to MarketShareRecovery, Inc.

MarketShare Recovery, the parent company's operating subsidiary similarly named MarketShare Recovery, Inc., was incorporated in New York in November 2000. The subsidiary, MarketShare Recovery, Inc. was a provider of online direct marketing solutions for enterprises. The solutions enabled corporations to create and deliver online direct marketing programs that drive revenue, influence behavior and deepen customer relationships. Our solutions provided customer insight and powerful program execution through a combination of hosted applications and technology infrastructure.

We had derived our revenues from the sale of solutions that enable businesses to proactively communicate with their customers online. Primarily, these services have consisted of the design and execution of online direct marketing campaigns and additional services provided by our Professional Services organization, including the development and execution of Customer Acquisition programs. Revenue for direct marketing and acquisition campaigns were recognized when persuasive evidence of an arrangement exists, the campaign has been sent, the fee was fixed or determinable and collection of the resulting receivables is reasonably assured. Revenue generated by our professional service organization was typically recognized as the service is provided.

Our ability to grow and operate that business was constrained by new technologies and e-mail filtering devices installed at internet service providers and on consumer's personal computers. These programs blocked our emails from reaching their final destination, which in turn affected our ability to effectively market our services. These technological obstacles were put in place to combat spam, however, their effect has been more widespread and has adversely affected our ability to deliver our clients messages to our opt-in database of users. As a result, we found it harder to maintain and grow our business as we were not able to deliver as many advertisements for our clients and in turn had having difficulty in recruiting new sales persons as well as retaining members of our existing sales force. As a result of the foregoing, we decided to discontinue that business and sought out new business opportunities.

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On May 27, 2005, we completed the merger ("Merger") of MarketShare Merger Sub, Inc. a wholly owned subsidiary of the Company ("Merger Sub") with bioMetrx Technologies, Inc. a Delaware corporation ("bioMetrx") pursuant to the Agreement and Plan of Merger dated April 27, 2005, by and among the Company, Merger Sub and bioMetrx ("Merger Agreement"). bioMetrx is a development stage company engaged in the development of biometrics-based products for the homes security and electronics market, including biometrically enabled residential door locks, central station alarm keypads, thermostats and garage/gate openers.

On June 1, 2005 (the "Effective Date"), Merger Sub filed a Merger Certificate completing the acquisition of bioMetrx. The consideration for the Merger was 14,218,424 restricted shares of our common stock and the issuance of 182,027 Common Stock Purchase Warrants to the holders of corresponding instruments of bioMetrx. The Merger was completed according to the terms of the Merger Agreement. Simultaneously with the Merger, certain stockholders of the Company surrendered 2,208,521 shares of the Company's common stock which was cancelled and returned to the status of authorized and unissued. In addition, 300,000 shares of the Company's common stock were deposited by these stockholders into escrow to cover contingent liabilities, if any. As a result of the Merger, bioMetrx was merged into the Merger Sub and became our wholly owned subsidiary.

Since the Company had no meaningful operations immediately prior to the Merger, the Merger is being treated as a reorganization of bioMetrx via a reverse merger with the Company for accounting purposes.

The 14,218,424 shares and the shares issuable upon the exercise of 182,027 warrants issued as part of Merger to the former bioMetrx stockholders represent approximately 90% of the total outstanding post-merger stock.

On October 10, 2005, the Company amended its Certificate of Incorporation to change its name to bioMETRX, Inc. as a result, the Company's trading symbol changed to "BMTX".

PLAN OF OPERATIONS

The Company, through its wholly owned subsidiaries, designs, develops, engineers and produces biometrics-based products for the consumer home security, consumer electronics, medical records and medical products markets. The Company's executive offices are located in Jericho, New York.

Founded in 2001, bioMetrx is focused on developing simple-to-use, cost-efficient finger print activation products under the trade name SmartTOUCH(TM). The Company's products include biometrically enabled and secured residential door locks, central station alarm keypads, thermostats, garage/gate openers, medical crash carts, industrial medicine cabinets and portable electronic medical records. Our products utilize fingerprints recognition technology designed to augment or replace conventional security methods such as keys, keypads, and PIN numbers.

The Company operates its business through three (3) wholly owned subsidiaries, bioMetrx Technologies, Inc., which conducts the product engineering and design, smartTOUCH Security, Inc., the consumer-based marketing and sales group and smartTOUCH Medical, Inc. which will market medical information and products.

The home security industry consists of garage door manufacturers, key and lock manufacturers and central station alarm monitoring companies, representing a $25 billion global market. bioMetrx develops market-specific products in this area which will either be licensed or sold through manufacturers/ retailers worldwide when deemed commercially viable.

The Company is developing a finger-activated thermostat that it intends to market to the general public as well as the small business owner. The Company's product will allow consumers and small business owners the ability to control the temperature within their homes or business establishments, as the case may be, without having to install a cage around the thermostat. The Company's smartTOUCH thermostat allows homeowners and small business owners complete control and security over their costly HVAC systems.

The medical records market represents another entry point for the Company's products. In 2001, the federal government created HIPPA laws regarding privacy and non-disclosure of patients' medical records. The medical records industry has progressed dramatically over the last few years and the practice of medicine has turned to the digital/electronics markets to streamline patient medical records. While this progress is more efficient for the medical provider, the rules developed to safeguard this information has become more complicated and burdensome. The Company is developing a product that will allow patients, doctors and emergency hospital personnel to access complete patient records by simply touching a sensor. The Company's product will also allow the patient to carry their own medical records on a digital card that is also completely secured.

The Company is also developing technology for the medical products market. Currently, devices such as medical crash carts, rolling medicine drawers and cabinets and medical tool supply bins are either accessible in a hallway of a hospital or require medical personnel to enter a 4-digit PIN code to unlock these products. The Company is developing technology to secure these items while simplifying the procedure so that the proper medical personnel can access them quickly when necessary.

bioMetrx, to date, has not introduced its products and services commercially and is considered a development stage enterprise. bioMetrx has limited assets, significant liabilities and limited business operations. To date, activities have been limited to organizational matters, development of its products and services and capital raising.

Management's plan of operations for the next twelve months is to raise additional capital, complete development of its product line and commence marketing the Company's products and services. The Company expects it will require $6,000,000 over the next 12 months to accomplish these goals and expects to be financed by the private sale of its securities. There are no firm commitments on anyone's part to invest in the Company and if it is unable to obtain financing through the sale of its securities or other financing, the Company's products and services may never be commercially sold.

In December 2002, bioMetrx entered into a five-year employment agreement with its CEO, Mark Basile. The employment agreement has an annual base salary of $360,000. Accrual of compensation may be converted into shares of the Company's common stock at $.50 per share, which can be converted at any time after each twelve (12) months of service, but in no event shall cash compensation be less than $60,000 per annum. For the years ended December 31, 2004 and 2003, Sixty Thousand Dollars ($60,000) and $0, respectively, was paid under this employment agreement. For the three and nine months ended September 30, 2005, $136,000 and $316,000, respectively, was paid under this employment agreement.

In January 2004, bioMetrx entered into a four (4) year employment agreement with Steven Kang for a base annual salary of $120,000. The agreement has the same accrual and conversion terms as Mr. Basile's agreement, except that in no event, shall cash compensation be less than $20,000 per annum. For the year ended December 31, 2004 there was no cash paid under this employment agreement. For the three and nine months ended September 30, 2005, $79,500 and $114,000, respectively, was paid under this employment agreement.

In April 2005 bioMetrx entered into two short-term research and development agreements aggregating $220,000.

On November 10, 2005 bioMetrx and its wholly owned subsidiary SmartTOUCH Medical, Inc. entered into a consulting agreement with Wendy Borow-Johnson. Pursuant to the agreement, bioMetrx issued to Ms. Borow-Johnson Two Hundred and Fifty Thousand (250,000) shares of its common stock. In addition, upon the one (1) year anniversary of the consulting agreement, bioMetrx will issue to Ms. Borow-Johnson an additional Two Hundred and Fifty Thousand (250,000) shares of its common stock. Ms. Borow-Johnson shall be paid a monthly retainer of $2,500 per month in addition to reimbursement of travel and other related expenses incurred. The consulting agreement also provides that in the event the Company spins off SmartTOUCH Medical, Ms. Borow-Johnson shall have the right to acquire a 20% stake in such company for an aggregate purchase price of $10,000. Ms. Borow-Johnson shall provide services to SmartTOUCH Medical, Inc. those functions commonly associated with the role of President of the subsidiary.

RESULTS OF OPERATIONS

From inception (February 1, 2001) through September 30, 2005, bioMetrx has not generated any revenues. During the period from inception (February 1, 2001) through September 30, 2005, bioMetrx had net losses totaling $10,544,677. During the three months ended September 30, 2005, net losses totaled $932,993. From inception through September 30, 2005, bioMetrx' general and administrative expenses totaled $10,106,499 or 95.8% of total expenses, while for the three months ended September 30, 2005 general and administrative expenses totaled $845,124 or 90.6% of total expenses. From inception through September 30, 2005, bioMetrx stock-based compensation of $6,512,500 or 61.8% of expenses, of which $129,625 or 13.9% of total expenses was incurred during the three months ended September 30, 2005. Research and development costs were $417,604 or 3.9% of total expenses incurred in the period from inception through September 30, 2005, while research and development costs during the three months ended September 30, 2005 totaled $71,658 or 7.7% of total expenses.

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During the quarter ended September 30, 2005, the Company had $0 revenues. The Company has beta-tested its garage/gate door opener and will begin marketing this product in the near future. this represents the first product the Company intends to commercially market.

During the three and nine months ended September 30, 2005, net losses totaled $932,993 and $8,967,308, respectively. For the three and nine months ending September 30, 2005, bioMETRX' general and administrative expenses totaled $845,124 and $8,686,806, respectively, or 90.6% and 95.8% of total operating expenses. During the same three and nine month periods in 2004, general and administrative expenses totaled $144,766 and $451,934 respectively, or 76.3% and 85.5% of total operating expenses. The increase was mostly attributable to an increase in professional expenses relating to general corporate matters. For the three and nine months ending September 30, 2005 we incurred salaries of $134,000 and $378,833, respectively, or 14.3% and 4.2% of total operating expenses as compared to the three and nine months ended September 30, 2004 of $120,000 and $360,000, or 63.3% and 68.1% of total operating expenses. The increase was due to the addition of additional personnel necessary to continue the growth goals of the Company.

For the three and nine months ending September 30, 2005, interest expense was $0 and $6,425, respectively, as compared to $0 and $0 for the three and nine months ending September 30, 2004.

Research and development expenses for the three and nine months ending September 30, 2005 was $71,658 and $259,928, respectively, or 7.7% and 2.9% of total operating expenses, compared to $44,817 and $76,514, respectively, or 23.7% and 14.5% of total operating expenses for the same periods in 2004.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, bioMetrx has financed its activities from the private sales of its securities. In November 2001 bioMetrx issued 1,099,999 shares of its common stock, valued at $275,000 ($.25 per share), for services rendered. In December 2002, bioMetrx sold 20,000 shares of its common stock for $5,000 ($2.50 per share).

In 2003, bioMetrx sold 925,000 shares of its common stock for gross proceeds of $231,250 or $.25 per share. During 2003, bioMetrx issued 300,000 shares of its common stock, valued at $150,000 ($.50 per share), for services rendered to it pursuant to consulting agreements. During 2003, bioMetrx issued 140,000 shares of its common stock, valued at $140,000 ($1.00 per share), as commission on sales of its stock. Also in 2003 bioMetrx issued 378,000 shares of its common stock, valued at $94,500 ($.25 per share), as commission on sales of its common stock.

In 2004, bioMetrx sold 108,000 shares of its common stock for aggregate gross proceeds of $27,000 ($.25 per share). During that same year, bioMetrx sold 335,000 shares of its common stock for aggregate gross proceeds of $335,000 ($1.00 per share). Also in 2004, bioMetrx issued 200,000 and 35,000 shares of its common stock valued at $200,000 and $8,750, respectively, as commissions on sales of its common stock.

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In July 2005, the Company sold Nine Hundred and Thirty Three Thousand Three Hundred and Thirty-Four (933,334) shares of its common stock and One Hundred and Eighty Six Thousand Six Hundred and Sixty-Six warrants for an aggregate purchase price of $700,000 or $.75 per share without allocating any part of the purchase price for the warrants.

On October 28, 2005 the Company sold Two Million Two Hundred Fifty Thousand (2,250,000) shares and Two Million Two Hundred Fifty Thousand (2,250,000) warrants for an aggregate purchase price of $450,000 or $.20 per share without allocating any part of the purchase price for the warrants.

The warrants entitle the holder to purchase shares of the Company's common stock for a period commencing on the date of issuance and expiring on December 15, 2005 at an exercise price of $.20 per share.

As of September 30, 2005, bioMetrx had total assets of $367,579 and total current assets of $361,719. At September 30, 2005 bioMetrx had total liabilities of $554,140 and total current liabilities of $554,140. bioMetrx' working capital deficit at September 30, 2005 was $192,421 and an equity deficiency of $186,561.

bioMetrx is dependent on raising additional funding necessary to implement its business plan. bioMetrx' auditors have issued a "going concern" opinion on the financial statement for the year ended December 31, 2004, indicating bioMetrx is in the development stage of operations, has a working capital and net equity deficiency. These factors raise substantial doubt in bioMetrx' ability to continue as a going concern. If bioMetrx is unable to raise the funds necessary to complete the development of its products and fund its operations, it is unlikely that bioMetrx will remain as available going concern.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES:

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

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

When used in this Report on Form 10-QSB, the words "may," "will," "expect," "anticipate," "continue," "estimate," "intend," "plans", and similar expressions are intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding events, conditions and financial trends which may affect the Company's future plans of operations, business strategy, operating results and financial position. Such statements are not guarantees of future performance and are subject to risks and uncertainties and actual results may differ materially from those included within the forward-looking statements as a result of various factors.

Such factors include, among others: (i) the Company's ability to obtain additional sources of capital to fund continuing operations; in the event it is unable to timely generate revenues (ii) the Company's ability to retain existing or obtain additional licensees who will act as distributors of its products; (iii) the Company's ability to obtain additional patent protection for its technology; and (iv) other economic, competitive and governmental factors affecting the Company's operations, market, products and services. Additional factors are described in the Company's other public reports and filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to publicly release the result of any revision of these forward-looking statements to reflect events or circumstances after the date they are made or to reflect the occurrence of unanticipated events.

RECENT ACCOUNTING PRONOUNCEMENTS

Statement of Financial Accounting Standards ("SFAS") No. 146, "Accounting for Costs Associated with Exit or Disposal Activities", SFAS No. 147, "Acquisitions of Certain Financial Institutions - an Amendment of FASB Statements No. 72 and 144 and FASB Interpretation No. 9", SFAS No. 148, " Accounting for Stock-Based Compensation - Transition and Disclosure - an Amendment of FASB Statement No. 123", SFAS No. 149, "Amendment of Statement 33 on Derivative Instruments and Hedging Activities", and SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity", were recently issued. SFAS No. 146, 147, 148, 149 and 150 have no current applicability to the Company or their effect on the financial statements would not have been significant.

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement No. 123R)"SFAS 123R") "Share Based Payment, "a revision of Statement No. 123, "Accounting for Stock Based Compensation." This standard requires the Company to measure the cost of employee services received in exchange for equity awards based on grant date fair value of the awards. The Company is required to adopt SFAS 123R effective January 1, 2006. The standard provides for a prospective application. Under this method, the Company will begin recognizing compensation cost for equity based compensation for all new or modified grants after the date of adoption.

In addition, the Company will recognize the unvested portion of the grant date fair value of awards issued prior to the adoption based on the fair values previously calculated for disclosure purposes. At December 31, 2004, the Company had no unvested options.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Non-monetary Assets," ("SFAS 153"). SFAS 153 amends Accounting Principles Board ("APB") Opinion No. 29, Accounting for Non-monetary Transactions," to require exchanges of non-monetary assets are accounted for at fair value, rather than carryover basis. Non-monetary exchanges that lack commercial substance are exempt from this requirement.

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SFAS 153 is effective for non-monetary exchanges entered into in fiscal years beginning after June 15, 2005. The Company does not routinely enter into exchanges that could be considered non-monetary; accordingly the Company does not expect adoption of SFAS 153 to have a material impact on the Company's financial statements.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities - an Interpretation of Accounting Research Bulletin No. 51" (FIN No. 46"). This interpretation provides guidance related to identifying variable interest entities (previously known generally as special purpose entities or SPEs) and determining whether such entities should be consolidated. Certain disclosures are required when FIN No. 46 becomes effective if it is reasonably possible that a company will consolidate or disclose information about a variable interest entity when it initially applies FIN No. 46. This interpretation must be applied immediately to variable interest entities created or obtained after January 31, 2003. For those variable interest entities created or obtained on or before January 31, 2003, the Company must apply the provisions of FIN No. 46 for the year ended December 31, 2003. FIN No.

46 did not apply to the Company's financial position or results of operations.

COMMITMENTS

We do not have any commitments that are required to be disclosed in tabular form as of December 31, 2004 and as of September 30, 2005.

OFF BALANCE SHEET ARRANGEMENTS

We do not have any off balance sheet arrangements.

ITEM 3: CONTROLS AND PROCEDURES

Pursuant to provisions of the Securities Exchange Act of 1934, the Company's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under their supervision, for the Company. They have designed such disclosure controls and procedures to ensure that material information relating to the Company, is made known to them by others within the Company, particularly during the periods when the Company's quarterly and annual reports are being prepared.

Changes in Internal Controls. During the third quarter of fiscal year 2005, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. However, we intend to continue to refine our internal controls on an ongoing basis. Our management and our independent auditors have reported to our board of directors certain matters involving internal controls that our independent auditors considered to be material weaknesses, under standards established by the American Institute of Certified Public Accountants. The material weakness relates to the December 31, 2004 financial closing process. Certain adjustments were identified in the annual audit process, related to the accounting for stocks received by customers, payment of commissions with marketable securities, as well as the lack of segregation of duties in the process of cash receipts and disbursements. In addition, there were instances where accounting analyses did not include evidence of a timely review. The adjustments related to these matters were made by the Company in connection with the preparation of the audited financial statements for the year ended December 31, 2004.

Given these material weaknesses, management devoted additional resources to resolving questions that arose during our year-end audit. As a result, we were confident that our consolidated financial statements for the year ended December 31, 2004 and for the quarter ended September 30, 2005 fairly presented, in all material respects, our financial condition and results of operations. However, as a result of reviewing the Company's consolidated financial statements for the year ended December 31, 2005 it was discovered that the Company had deferred certain charges related to the issuance of stock options and compensation based warrants that should have been charged in this quarter resulting in a net charge during this quarter of $298,125 and classified the issuance of approximately $230,000 worth of the Company's common stock issued as penalty shares as additional paid-in capital that should have been charged to operations. As a result, the Company is reporting an additional loss of $528,125.

The material weaknesses have been discussed in detail among management, our board of directors and our independent auditors, and we are committed to addressing and resolving these matters fully and promptly, by putting in place the personnel, processes, technology and other resources appropriate to support our revenue recognition and financial close processes. In that regard we will contract a CPA who will assist our CFO in the preparation of our financial statements, 10-QSB's and 10-KSB's. We have completed a full review of our revenue recognition policy and practices and have implemented a number of process improvements. We completed a review of our financial disclosure process and we will continue to make the needed improvements.

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ITEM 6.: EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are filed as part of this report:

31.1 Certification of Chief Executive Officer of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a).

31.2 Certification of Chief Financial Officer of Periodic Report Pursuant to Rule 13a-14(a) and Rule 15d-14(a).

32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350

32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350

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SIGNATURES

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

Dated: February 9, 2005 BIOMETRX, INC.

By: /s/ Mark Basile

Mark Basile
Chief Executive Officer

By: /s/ J.Richard Iler

J.Richard Iler
Chief Financial Officer

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