LIPIDVIRO TECH INC
Form 10QSB
November 14, 2006

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

FORM 10-QSB

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

For the quarterly period ended September 30, 2006

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

For the transition period from ________________ to ________________

Commission File No. 0-49655

LIPIDVIRO TECH, INC.
(Exact Name of Small Business Issuer as specified in its Charter)

Nevada	87-0678927
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.

1338 South Foothill Blvd. #126
Salt Lake City, Utah 84108
(Address of Principal Executive Offices)

Issuer's Telephone Number: (801) 583-9900

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

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

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

Applicable Only to Issuers Involved in Bankruptcy
Proceedings During the Preceding Five Years

Not applicable.

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

Applicable Only to Corporate Issuers

State the number of shares outstanding of each of the Registrant's classes of common equity, as of the latest practicable date: September 30, 2006 - Common Voting Stock - 17,289,037 shares.

Transitional Small Business Disclosure Format (Check one): Yes No X

PART I

ITEM 1. Financial Statements

The Financial Statements of the Registrant required to be filed with this 10-QSB Quarterly Report were prepared by management and commence below, together with related Notes. In the opinion of management, the Financial Statements fairly present the financial condition of the Registrant.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)

SEPTEMBER 30, 2006 UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)

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LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	September 30, 2006	December 31, 2005
CURRENT ASSETS:		
Cash	$ -	$ -

Total Current Assets	-	-
PROPERTY AND EQUIPMENT, net	1,666	2,217
OTHER ASSETS:		
Definite-life intangible assets	33,331	32,102
Goodwill	290,317	290,317
TOTAL ASSETS	$ 325,314	$ 324,636

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Bank overdraft	$ 289	$ 441
Accounts payable	211,788	161,665
Shareholder loans	446,499	343,301
Total Current Liabilities	658,576	505,407
LONG-TERM LIABILITIES:		
Related party accrued interest	30,000	7,562
Related party note payable	600,000	600,000
Total Liabilities	1,288,576	1,112,969
STOCKHOLDERS' EQUITY:		
Common stock, $0.001 par value, 150,000,000 shares authorized, 17,289,037 and 15,098,034 shares issued and outstanding, respectively	17,289	15,098
Capital in excess of par value	2,514,338	(225,609)
Deficit accumulated during the development stage	(3,494,889)	(577,822)
Total Stockholders' Equity	(963,262)	(788,333)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 325,314	$ 324,636

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See accompanying notes.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Period From Inception On May 6, 2003 Through September 30,
	2006	2005	2006	2005	2006
REVENUE	$ -	$ -	$ -	$ -	$ -
OPERATING EXPENSES:					
General and administrative	56,845	8,657	298,168	38,668	505,651
Research and development	39,639	4,803	1,576,092	66,085	1,903,786

Total Operating Expenses	96,484	13,460	1,874,260	104,753	2,409,437
LOSS BEFORE OTHER INCOME (EXPENSE)	(96,484)	(13,460)	(1,874,260)	(104,753)	(2,409,437)
OTHER INCOME (EXPENSES):					
Interest income	-	-	-	-	23
Related party interest expense	(14,249)	(6,469)	(1,042,807)	(16,754)	(1,085,475)
Total Other Income (Expense)	(14,249)	(6,469)	(1,042,807)	(16,754)	(1,085,452)
LOSS BEFORE INCOME TAX EXPENSE	(110,733)	(19,929)	(2,917,067)	(121,507)	(3,494,889)
CURRENT INCOME TAX EXPENSE	-	-	-	-	-
DEFERRED INCOME TAX EXPENSE	-	-	-	-	-
NET LOSS	$ (110,733)	$ (19,929)	$ (2,917,067)	$ (121,507)	$ (3,494,889)
NET LOSS PER COMMON SHARE	$ (0.01)	$ (0.00)	$ (0.17)	$ (0.00)	$ (0.07)

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See accompanying notes.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended September 30, 2006	2005	For the Period From Inception On May 6, 2003 Through September 30, 2006
Cash Flows from Operating Activities:			
Net loss	$ (2,917,067)	$ (121,507)	$ (3,494,889)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	551	488	2,009
Imputed interest expense	7,271	16,754	42,377
Non-cash expenses paid by issuance of common stock	1,000,000	-	1,000,750
Non-cash expenses paid by shareholder	6,900	-	6,900
Non-cash services paid by issuance of common stock	589,645	-	589,758
Non-cash services paid by grant of warrants	1,135,637	-	1,135,637
Changes in assets and liabilities:			
Increase (decrease) in accounts payable	50,123	(19,156)	211,788
Increase in related party accrued			

interest	35,536	-	43,098
Net Cash Used by Operating Activities	(91,404)	(123,421)	(462,572)
Cash Flows from Investing Activities:			
Payments for property and equipment	-	-	(3,675)
Payments for definite-life intangible assets	(1,229)	(4,801)	(33,331)
Payments for goodwill	-	-	(269,006)
Net Cash Used by Investing Activities	(1,229)	(4,801)	(306,012)
Cash Flows from Financing Activities:			
Payments of deferred financing costs	-	(5,000)	-
Increase (decrease) in bank overdraft	(152)	(1,023)	289
Proceeds from shareholder loans	90,100	135,800	435,400
Payments on shareholder loans	-	-	(2,000)
Capital contribution	2,685	-	2,685
Proceeds from issuance of common stock	-	-	293,700
Proceeds from sale of warrants	-	-	38,510
Net Cash Provided by Financing Activities	92,633	129,777	768,584
Net Increase (Decrease) in Cash	-	1,555	-
Cash at Beginning of Period	-	-	-
Cash at End of Period	$ -	$ 1,555	$ -

Supplemental Disclosures of Cash Flow Information:

Cash paid during the period for:			
Interest	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -

Supplemental Schedule of Non-cash Investing and Financing Activities:

For the nine months ended September 30, 2006:
None

For the nine months ended September 30, 2005:
In September 2005, the Company repurchased and cancelled 55,125,000 shares of common stock for cash of $1, which was paid by a shareholder, and a $600,000 note payable.

See accompanying notes.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Condensed Financial Statements - The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at September 30, 2006 and 2005 and for the periods then ended have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2005 audited financial statements. The results of operations for the periods ended September 30, 2006 and 2005 are not necessarily indicative of the operating results for the full year.

Reclassification   Certain amounts in prior-year financial statements have been reclassified for comparative purposes to conform with presentation in the current-year financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

	Estimated Useful Lives	September 30, 2006
Office equipment	5 years	$ 433
Website	5 years	3,242
		3,675
Less accumulated depreciation		(2,009)
Net Property and Equipment		$ 1,666

Depreciation expense for the nine months ended September 30, 2006 and 2005 was $551 and $488, respectively.

NOTE 3 - CAPITAL STOCK

Stock Split   On April 18, 2006, Parent effected a 7-for-1 forward stock split by dividend. The financial statements for all periods presented have been restated to reflect the stock split.

Common Stock   In February and March 2006, the Company issued 766,003 shares of common stock to consultants for services valued at $547,145, or approximately $0.7143 per share.

In April 2006, the Company issued 1,400,000 shares of common stock to a shareholder of the Company to further extend shareholder loans owed to the shareholder. The stock was valued at $1,000,000, or approximately $0.7143 per share.

In June 2006, the Company issued 25,000 shares of common stock to a consultant for services valued at $42,500, or $1.70 per share.

Capital contributions   In June 2006, a shareholder of the Company paid expenses on behalf on the company by transferring 6,000 shares of common stock valued at $6,900, or $1.15 per share.

In June and July 2006, a shareholder of the Company contributed cash totaling $2,685.

Class A Warrants   In January 2006, the Company granted 105,000 Class A warrants for services valued at $22,930, or approximately $0.2184 per warrant. Of the warrants, 35,000 vested immediately and the remaining 70,000 vested as services were rendered through June 30, 2006.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - CAPITAL STOCK (Continued)

In February 2006, the Company granted 175,000 Class A warrants for services valued at $38,198, or approximately $0.2183 per warrant. The warrants vest as services are rendered through January 31, 2007. At September 30, 2006, 116,667 of the warrants had vested.

In February 2006, the Company granted 560,000 Class A warrants for services valued at $122,232, or approximately $0.2183 per warrant. The warrants vested immediately.

In April 2006, the Company granted 70,000 Class A warrants for services valued at $49,218, or approximately $0.7031 per warrant. The warrants vest as services are rendered through December 31, 2006. At September 30, 2006, 35,000 of the warrants had vested.

Class B Warrants   In February 2006, the Company granted 560,000 Class B warrants for services valued at $43,008, or $0.0768 per warrant. The warrants vested immediately.

Extended Warrant Exercise Period   In April 2006, the Company extended the exercise period for Class A and Class B warrants through June 30, 2008. The extension of the exercise period on previously granted warrants resulted in additional expenses totaling $938,408, of which $127,146 was associated with warrants unvested at that time.

During the nine months ended September 30, 2006 and 2005, respectively, share-based payments resulted in expenses of $1,135,637 and $0.

The fair value of each warrant is estimated on the grant date using the Black-Scholes option pricing formula with the following assumptions: expected volatility of 109-320%, expected term of 5-27 months, risk-free rate of 4.4-4.8%, and no expected dividends. The expected volatility is based upon the historical volatility of the Company's common stock price. Because the Company has not yet proved that they will be able to generate any revenues from their research activities, any future exercise of warrants is expected to be at the end of the contractual term to allow for the maximum possible development prior to the exercise. The risk-free rate is based upon the U.S. Treasury rate for similar maturities.

A summary of warrant activity as of September 30, 2006 and changes during the nine months then ended is presented below:

Warrants	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2005	26,810,000	$ 1.07		
Granted	1,470,000	0.98		
Exercised	-	-		
Forfeited	-	-		
Expired	-	-		
Outstanding at September 30, 2006	28,280,000	$ 1.07	1.75	$ 6,298,600

Exercisable at September 30, 2006	28,186,667	$ 1.07	1.75	$ 6,257,533

The weighted-average grant-date fair value of warrants granted during the nine months ended September 30, 2006 was $0.19.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - CAPITAL STOCK (Continued)

A summary of the status of the non-vested shares as of September 30, 2006 and changes during the nine months then ended is presented below:

Warrants	Shares	Weighted-Average Grant-Date Fair Value
Not Vested at December 31, 2005	-	$ -
Granted	315,000	0.33
Vested	(221,667)	0.30
Forfeited	-	-
Not Vested at September 30, 2006	93,333	$ 0.40

As of September 30, 2006, there was $78,357 of total unrecognized expense related to non-vested share-based payments. That cost is expected to be recognized over a weighted-average period of 0.2 years. The total fair value of warrants vested during the nine months ended September 30, 2006 and 2005 was $151,492.

NOTE 4 - INCOME TAXES

The Company's deferred tax assets, deferred tax liabilities, and valuation allowance are as follows:

	September 30, 2006
Deferred tax assets:	
Organization costs	$ 46
Research and development equipment	1,466
Net operating loss carryforwards	153,227
Total deferred tax assets	$ 154,739
Deferred tax liabilities:	
Patent application costs	$ 6,416
Depreciation	232
Total deferred tax liabilities	$ 6,648
Total deferred tax assets	$ 154,739
Total deferred tax liabilities	(6,648)
Valuation allowance	(148,091)
Net deferred tax asset (liability)	$ -

These amounts have been presented in the financial statements as follows:

Current deferred tax asset (liability)	$ -
Non-current deferred tax asset (liability)	-
	$ -

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - INCOME TAXES (Continued)

At September 30, 2006, the Company has net operating loss carryforwards of approximately $796,000 available to offset future taxable income and expiring beginning in 2023 through 2026. The Company has experienced losses since inception and has not yet generated any revenues; therefore, the Company has established a valuation allowance of $148,091 to offset the net tax assets from the net operating loss carryforwards.

The income tax provision differs from the amounts that would be obtained by applying federal and state statutory income tax rates to income (loss) before income tax as follows:

	For the Nine Months Ended September 30, 2006	For the Nine Months Ended September 30, 2005	For the Period From Inception On May 6, 2003 Through September 30, 2006
Income (loss) before income taxes	$ (2,917,067)	$ (121,507)	$ (3,494,889)
Expected combined federal and state income tax rate	20.0%	20.0%	20.0%
Expected income tax expense (benefit) at statutory rates	(583,413)	(24,301)	(698,978)
Federal benefit of state taxes	21,878	911	26,212
Tax effect of:			
Compensation paid with warrants	16,745	-	16,745
Consulting paid with common stock	113,507	-	113,507
Consulting paid with warrants	201,865	-	201,865
Interest paid with common stock	192,500	-	192,500
Meals and entertainment	20	-	58
Change in valuation allowance	36,898	23,390	148,091
Net income tax expense (benefit)	$ -	$ -	$ -

NOTE 5 - RELATED PARTY TRANSACTIONS

Shareholder Loans - During the nine months ended September 30, 2006 and 2005, respectively, shareholders of the Company loaned $90,100 and $135,800 to the Company. Previous to April 2006, the loans bore no interest and were due on demand; however, the Company imputed interest at 8% per annum. In April 2006, the Company issued 1,400,000 shares of common stock to further extend the loans. The loans now bear interest at 6% per annum and are due December 31, 2006. At September 30, 2006, the Company owes a total of $446,499 to the shareholders. During the nine months ended September 30, 2006 and 2005, respectively, the Company accrued or imputed interest expense totaling $20,369 and $16,754.

Note Payable In September 2005, the Company issued a 5% $600,000 note payable to repurchase common stock. The note and accrued interest are all due in September 2009. During the nine months ended September 30, 2006 and 2005, respectively, interest expense on the note payable amounted to $22,438 and $0.

Management Compensation - In February 2006, the Company granted 175,000 Class A warrants to an officer of the Company for services valued at $38,198 to be provided through January 31, 2007.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - GOING CONCERN

The Company's financial statements have been presented on the basis that they are a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. At September 30, 2006, the Company had incurred losses since inception, had not yet generated any revenues, and had current liabilities in excess of current assets. These factors create an uncertainty about the Company's ability to continue as a going concern. In this regard, management is proposing to raise any necessary additional funds not provided by operations through loans or through additional sales of common stock. There is no assurance that the Company will be successful in raising this additional capital or in achieving profitable operations. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 7 NET LOSS PER COMMON SHARE

The following data shows the amounts used in computing net loss per common share:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Period From Inception On May 6, 2003 Through September 30,
	2006	2005	2006	2005	2006
Net loss available to common shareholders (numerator)	$ (110,733)	$ (19,929)	$ (2,917,067)	$ (121,507)	$ (3,494,889)
Weighted average number of common shares outstanding (denominator)	17,289,037	70,223,034	16,695,586	70,223,034	52,005,535

At September 30, 2006, the Company had 14,315,000 Class A warrants and 13,965,000 Class B warrants outstanding that were not used in the computation of dilutive loss per share because their effect would be anti-dilutive. At September 30, 2005, the Company had 13,405,000 Class A warrants and 13,405,000 Class B warrants outstanding that were not used in the computation of dilutive loss per share because their effect would be anti-dilutive. Dilutive loss per share was not presented, as the Company had no common stock equivalent shares for all periods presented that would effect the computation of diluted loss per share.

LIPIDVIRO TECH, INC. AND SUBSIDIARY
(A Development Stage Company)
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 COMMITMENTS

In February 2006, the Company signed a research agreement that requires payment of $5,000 per month for two years. Through September 30, 2006, the Company has made payments of $15,000 on this agreement and has accrued a liability of $30,000 for past-due payments.

In February 2006, the Company signed a research agreement that required payment of $3,000 per month for six months. In May 2006, the Company terminated this agreement. Through September 30, 2006, the Company made payments of $12,000 on this agreement.

In February 2006, the Company signed a research agreement that required payment of $2,080 per month for six months. In May 2006, the Company terminated this agreement. Through September 30, 2006, the Company made payments of $8,320 on this agreement.

NOTE 9 SUBSEQUENT EVENTS

Common Stock Issuance - In October 2006, the Company issued 80,000 shares of common stock for services.

Class B Warrant Issuance In October 2006, the Company granted 25,000 Class B warrants for services.

Item 2. Management's Discussion and Analysis of Financial Condition and Plan of Operations.

This Form 10-QSB contains forward-looking statements concerning plans, objectives, goals, strategies, future events or performance as well as all other statements which are not statements of historical fact. These statements contain words such as, but not limited to, "believes," "anticipates," "expects," "estimates," "projects," "will," "may" and "might." The forward-looking statements contained in this Form 10-QSB reflect our current beliefs and expectations on the date of this Form 10-QSB. Actual results, performance or outcomes may differ materially from what is expressed in the forward-looking statements. We have discussed the important factors, which we believe could cause actual results, performance or outcomes to differ materially from what is expressed in the forward-looking statements, under the caption "Factors That May Affect Future Results and Financial Condition." We are not obligated to publicly announce any revisions to these forward-looking statements to reflect a change in facts or circumstances.

You should read the discussion below in conjunction with Part I, Item 1, "Financial Statements," of this Form 10-QSB and our Annual Report Form 10-KSB for the year ended December 31, 2005.

Business Development.

Clinical Trial d-OSABibs. During the third fiscal quarter of 2006, we performed multiple administrative tasks in preparation for our first clinical trial which is designed to treat 100 Ischemic Brain Stroke patients with d-OSABibs Therapy. During the quarter, we continued trial protocol development, Investigational Review Board application development and refined details associated with independent data management for trial data. Many of these operations are ongoing. The Company will need to find a partner or execute a new round of financing to subsidize this clinical trial.

Equipment Development. During the third fiscal quarter of 2006, the Company continued development of the d-OASB equipment platform, focusing on design and manufacturing of complete systems, including disposables for use in clinical trials. Once manufactured, equipment reliability, reproducibility and sterility require testing and verification prior to use in clinical trials. These operations are ongoing. The Company will need to find a partner or execute a new round of financing to commercialize this equipment.

Grants, Partnering and Financing. During the third fiscal quarter of 2006, the Company explored multiple financing options in efforts to attain financing sufficient to execute the Company's d-OSAB development efforts and corporate development objectives. These efforts include equity, debt, partnering, grants and combinations thereof. These operations are also ongoing and require execution for the Company to meet overall goals of product and corporate development.

Corporate Development - Board of Directors. After the quarter ended, the Company expanded its Board of Directors adding Steve Keyser as Chairman of the Board and Linda C. Sharkus, Ph.D. as a member.

Mr. Keyser joins the Company bringing 24 years of experience in private equities research and asset management. Mr. Keyser's research and analysis experience spans multiple industries, including biotech and healthcare. Mr. Keyser founded LipidViro Tech in 2003 and now joins the Company as Chairman of the Board of Directors.

Dr. Sharkus, is President of Acquis Associates, Inc., an executive search firm that specializes in the Chemical and Allied Industries; she also serves as a management consultant for emerging companies providing editorial advertising through Global Media Fund, independent equity research and assistance in identifying sources of financing. Dr. Sharkus specialized in her over 20 years professional experience in the biotechnology, chemical and polymer industries allowing her to advise clients with in-depth understanding of business management, with particular strength in technology. Prior to her work in recruitment, she was a scientist at Rohm and Haas in Biocides/Industrial Chemicals and impact modifiers for PVC in their Plastics Division. She has a B.S. Degree in Chemistry from Boston College and a Ph.D. in Organic Chemistry from University of California, Davis. She is a member of the Society of Human Resources Management and the American Chemical Society.

Corporate Development - Scientific Advisory Board. During the third fiscal quarter of 2006, the Company created the Company's Scientific Advisory Board with an initial five members:

Byron Murray, Ph.D., Professor, Dept. of Microbiology & Molecular Biology, Brigham Young University, Provo, UT.

David S. Ucker, Ph.D., Professor, Department of Microbiology and Immunology, University of Illinois, Chicago, IL.

Marilyn Rymer, M.D., Professor of Medicine, Saint Luke's Hospital, Kansas City, MO.

Myron Ginsberg, M.D., Peritz Scheinberg Endowed Chair in Neurology, University of Miami School of Medicine.

Tonmoy Sharma, MSc, MRCPsych, Ph.D., Chief Scientific Consultant, The Cognition Group.

Members of the Scientific Advisory Board ("SAB") are compensated with twenty-five thousand (25,000) shares of Rule 144 common stock of the Company and ten thousand (10,000) Class B Warrants payable over the course of their one year term. Subsequent to the third fiscal quarter, SAB Members were issued ten thousand (10,000) shares of common stock under Rule 144, and five thousand (5,000) Class B Warrants.

Item 3. Controls and Procedures.

As of the end of the period covered by this Quarterly Report, we carried out an evaluation, under the supervision and with the participation of our President and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our President and Chief Financial Officer concluded that information required to be disclosed is recorded, processed, summarized and reported within the specified periods and is accumulated and communicated to management, including our President and Chief Financial Officer, to allow for timely decisions regarding required disclosure of material information required to be included in our periodic Securities and Exchange Commission reports. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and our President and Chief Financial Officer have concluded that our disclosure controls and procedures are effective to a reasonable assurance level of achieving such objectives. However, it should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. In addition, we reviewed our internal controls over financial reporting, and there have been no changes in our internal controls or in other factors in the last fiscal quarter that has materially affected our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None; not applicable.

Item 2. Changes in Securities and Small Business Issuer Purchases of Equity Securities.

During the nine months ended September 30, 2006, and 2005, respectively, shareholders of the Company loaned $90,100 and $135,800 to the Company. Previously, the loans bore no interest and were due on demand; however, the Company imputed interest at 8% per annum. In April 2006, the Company issued 1,400,000 shares of common stock valued at $1,000,000 or $0.7143 per share to further extend the loans. The loans now bear interest at 6% per annum and are due December 31, 2006.

During the nine months ended September 30, 2006, share-based payments resulted in expenses of $1,135,637.

We issued these securities to persons who were "accredited investors" as defined in Rule 501 of the Securities and Exchange Commission; and each had prior access to all material information about us. We believe that the offer and sale of these securities was exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Sections 4(2) and 4(6) thereof, and Rule 506 of Regulation D of the Securities and Exchange Commission; state sales to "accredited investors" are preempted by Section 18 of the Securities Act.

Item 3. Defaults Upon Senior Securities.

None; not applicable.

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

None; not applicable.

Item 5. Other Information.

In October 2006, the Company issued 80,000 shares of common stock for services.

Also in October 2006, the Company granted 25,000 Class B warrants for services.

Subsequent to the end of the quarter, we appointed Steve Keyser as Chairman of the Board of Directors and Dr. Linda C. Sharkus to the Board of Directors. See Item 6.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

31 302 Certification of Kenneth P. Hamik

32 906 Certification

8-K Current Report dated October 16, 2006, regarding the addition of Steve Keyser as Chairman of the Board and Dr. Linda C. Sharkus to the Board of Directors, filed October 25, 2006.

SIGNATURES

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

LIPIDVIRO TECH, INC.

Date: 11/14/2006

By/s/Kenneth P. Hamik

Kenneth P. Hamik
President, CFO and Director