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INITIO, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
Six Months Ended October 31, 2009

Accountants' Report

The Board of Directors and Stockholders
Initio, Inc. and Subsidiary
Rochelle Park, NJ

We have compiled the accompanying consolidated balance sheet of Initio, Inc. and Subsidiary (the "Company") as of October 31, 2009, and the related consolidated statements of operations and comprehensive income, and stockholders' equity for the six months 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.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

January 27, 2010

Rogoff + Company P.C.

INITIO, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET

October 31, 2009

ASSETS

Cash	\$ 694,695
Marketable securities	1,601,883
Property and equipment, net	20,650
Loans to stockholder	75,000
Other assets	<u>26,161</u>
 Total Assets	 <u><u>\$ 2,418,389</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued expenses	\$ 7,000
Total Liabilities	<u>7,000</u>
 Stockholders' Equity	
Common Stock, \$.01 par value, 10,000,000 shares authorized; 6,901,725 issued and outstanding	69,017
Additional paid in capital	9,617,746
Accumulated deficit	<u>(7,275,374)</u>
Total Stockholders' Equity	<u>2,411,389</u>
 Total Liabilities and Stockholders' Equity	 <u><u>\$ 2,418,389</u></u>

See accountants' report.

INITIO, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
Six Months Ended October 31, 2009

Revenues	
Consulting income	\$ 35,000
Interest and dividends	4,274
Loss on the sale of marketable securities	(155,953)
Other	2,395
	<u>(114,284)</u>
 Expenses	
General and administrative	71,439
Depreciation and amortization	3,411
	<u>74,850</u>
 Net Loss before unrealized gains on marketable securities	(189,134)
 Unrealized gains on marketable securities	<u>419,099</u>
 Net Income	<u>\$ 229,965</u>

See accountants' report.

INITIO, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Six Months Ended October 31, 2009

	Common Stock Shares	Amount	Additional Paid In Capital	Accumulated Deficit	Total Stockholders' Equity
Balance April 30, 2009	6,901,725	\$ 69,017	\$ 9,617,746	\$ (7,505,339)	\$ 2,181,424
Net Income	-	-	-	229,965	229,965
Balance October 31, 2009	6,901,725	\$ 69,017	\$ 9,617,746	\$ (7,275,374)	\$ 2,411,389

See accountants' report.