NUVIM INC
Form 10QSB/A
September 26, 2007

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

Amendment 1
to

FORM 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 2007

or

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 For the Transition Period from to

COMMISSION FILE NO. 000-50508

NUVIM(R), INC.
(NAME OF SMALL BUSINESS ISSUER IN ITS CHARTER)

DELAWARE	13-4083851
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

12 NORTH STATE ROUTE 17 PARAMUS, NJ	07652
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

(201) 556-1010
(ISSUERS TELEPHONE NUMBER)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such report(s), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

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

At August 13, 2007, 14,604,782 shares of the registrant's Common Stock, par value $0.00001 per share, were outstanding.

Transitional Small Business Disclosure Format: Yes [ ] No [X]

NUVIM, INC.

QUARTERLY REPORT ON FORM 10-QSB

QUARTERLY PERIOD ENDED JUNE 30, 2007

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NUVIM, INC.
BALANCE SHEETS

	JUNE 30, 2007 (Unaudited)
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 151,880
Accounts receivable, net	12,267
Inventory	186,021
Prepaid expenses and other current assets	107,392
Total Current Assets	457,560
Equipment and furniture, net	146
Deferred offering cost	57,025
Deposits and other assets	8,147
Distribution rights	90,400
TOTAL ASSETS	$ 613,278

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities:	
Current portion of accounts payable	$ 304,251
Accrued expenses	146,577
Accrued compensation	305,244
Rescinded series B offering payable	18,920
TOTAL CURRENT LIABILITIES	774,992
Other Liabilities:	
Accounts payable, net of current portion	224,429
Senior notes payable - related parties, net of unamortized discount of $27,867 at June 30, 2007	472,133
Accrued interest - senior notes payable - related parties	189,160
Stockholder loans - subordinated covertable promissory notes	150,000
Accrued interest stockholder loans	27,770
Other notes payable, net of unamortized discount of $6,800 at June 30, 2007	113,200
Accrued Interest - other notes payable	30,717
TOTAL OTHER LIABILITIES	1,207,409
TOTAL LIABILITIES	1,982,401
Commitments and Contingencies	
Stockholders' Deficit:	
Common Stock, 120,000,000 shares authorized, $.00001 par value, 14,532,782 shares issued and outstanding at June 30, 2007	145
Additional paid-in capital	21,613,115
Accumulated deficit	(22,982,383)
Total Stockholders' Deficit	(1,369,123)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 613,278

The notes to financial statements are an integral part of this statement.

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NUVIM, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2006	2007	2006	2007
Gross sales	$ 327,079	$ 347,170	$ 598,152	$ 675,303
Less: discounts, allowances and promotional payments	21,707	114,924	116,559	202,235
Net sales	305,372	232,246	481,593	473,068
Cost of sales	187,969	224,592	309,200	393,537
Gross profit	117,403	7,654	172,393	79,531

Selling, general and administrative expenses	491,399	677,381	1,004,072	1,009,791
Loss from operations	(373,996)	(669,727)	(831,679)	(930,260)
Other Income (Expense):				
Interest expense	(36,473)	(20,974)	(73,538)	(41,624)
Interest income	0	0	45	
Gain on forgiveness of A/P	8,803	13,521	8,803	13,521
Total other income (expense) - net	(27,670)	(7,453)	(64,690)	(28,103)
Net loss before income tax benefit	(401,666)	(677,180)	(896,369)	(958,363)
Income tax (expense) benefit	(200)	-	(200)	-
Net loss	($ 401,866)	($ 677,180)	($ 896,569)	($ 958,363)
Basic and diluted loss per share	($ 0.04)	($ 0.05)	($ 0.13)	($ 0.07)
Weighted average number of common shares outstanding - basic and diluted	9,209,259	14,532,782	7,131,769	13,517,338

The notes to financial statements are an integral part of this statement.

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NUVIM, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
FOR THE SIX MONTHS ENDED June 30, 2007
(Unaudited)

	Common Stock Shares	Amount	Additional Paid-In Capital	Accumul Defi
Balance at December 31, 2006	11,622,867	$ 116	$ 20,489,672	($22,02
Stock sold to accredited investors, net	1,533,333	15	419,185	
Stock issued for accrued compensation	172,915	2	46,581	
Stock issued for services	205,000	2	36,098	
Employee stock based compensation			14,275	
Net Loss				(28
Balance at March 31, 2007	13,534,115	135	21,005,811	(22,30
Stock sold to accredited investors, net	972,667	10	264,610	
Stock issued for services	26,000	0	13,000	
Employee stock based compensation			329,694	
Net Loss				(67
Balance at June 30, 2007	14,532,782	$ 145	$ 21,613,115	($22,98

The notes to financial statements are an integral part of this statement.

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NUVIM, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED June 30, 2006 AND 2007
(Unaudited)

	2006	2007
Cash Flow From Operating Activities:		
Net loss	($ 896,569)	($ 958,363)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation	452	452
Amortization of debt discount on notes payable	14,029	10,500
Stock issued for services	201,985	49,100
Employee stock based compensation	65,000	343,969
Stock issued for compensation		46,583
Gain on forgiveness of accounts payable	(8,803)	(13,521)
Provision for sales returns	116,559	106,977
Changes in Operating Assets and Liabilities:		
Accounts receivable	(150,642)	(63,417)
Inventory	(47,080)	(19,092)
Prepaid expenses and other current assets	(84,118)	83,661
Accounts payable	(45,450)	(201,261)
Accrued expenses	(167,871)	26,980
Accrued compensation	188,655	(30,780)
Accrued interest	45,610	30,800
Net Cash Used in Operating Activities	(768,243)	(587,412)
Cash Flow From Financing Activities:		
Payment of notes payable	(6,000)	
Net proceeds from issuance of common stock	533,875	683,820
Net Cash Provided by Financing Activities	527,875	683,820
(Decrease) Increase in Cash and Cash Equivalents	(240,368)	96,408
Cash and Cash Equivalents at Beginning of Period.	270,468	55,472
Cash and Cash Equivalents at End of Period.	$ 30,100	$ 151,880

The notes to financial statements are an integral part of this statement.

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NUVIM, INC.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 - BUSINESS AND BASIS OF PRESENTATION

A. Business

NuVim, Inc. (the "Company") markets and distributes ready to drink dietary supplement beverages and powder mixes, which enhance the immune system, promote sturdy joints and muscle flexibility and helps the body absorb calcium. The Company distributes its products through supermarkets in approximately 14 states in the Eastern United States.

B. Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As shown in the accompanying financial statements, the Company incurred net losses of $677,180 and $401,866 for the three months ended June 30, 2007 and 2006, and $958,363 and $896,569 for the six months ended June 30 2007 and 2006, respectively. Management also expects operating losses to continue in 2007. The Company's continued existence is dependent upon its ability to secure adequate financing to fund future operations and commence profitable operations. To date, the Company has supported its activities through equity investments, the sale of common stock, and a line of credit through a bank of $50,000 of which there is currently none used. During 2006, the Company addressed these concerns by selling common stock to raise approximately $534,000, settling approximately $274,000 of principal and interest on note and supplier debt with common stock, and issuing stock worth approximately $266,000 to secure services. In addition, during 2006 the Company negotiated extended terms on approximately $987,000 of notes payable, stockholder loans, and accrued interest until January 2009. During 2007, the Company has raised approximately $684,000, net of fees, through sales of common stock.

It is the Company's intention to raise additional capital through additional sales of its common stock. No assurance can be given that these funding strategies will be successful in providing the necessary funding to finance the operations of the Company. Additionally, there can be no assurance, even if successful in obtaining financing, the Company will be able to generate sufficient cash flows to fund future operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or amounts and classification of liabilities that might be necessary related to this uncertainty.

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C. BASIS OF PRESENTATION

The unaudited consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The unaudited interim consolidated financial statements as of June 30, 2006 and 2007 reflect all adjustments (consisting of normal recurring accruals) which, in the opinion of management, are considered necessary for a fair presentation of its financial position as of June 30, 2007 and as of the result of its consolidated operations and its consolidated cash flows for the periods ended June 30, 2006 and 2007.

The Unaudited Consolidated Statements of Operations for the three and six months ended June 30, 2006 and 2007 are not necessarily indicative of results for the full year.

While the Company believes that the disclosures presented are adequate to make the information not misleading, these financial statements should be read in conjunction with the financial statements and accompanying notes included in the

Company's Current Report on Form 10KSB for the year ended December 31, 2006.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A. Net Loss Per Share

Basic loss per share has been calculated using the weighted average number of common shares outstanding in accordance with FASB 128 "Earnings Per Share." All potentially dilutive securities, including options, convertible notes, convertible preferred stock and warrants have been excluded as common stock equivalents and diluted loss per share has not been presented as such securities are antidilutive due to the Company's net loss for all periods presented. At June 30, 2007, the Company had warrants to purchase 7,522,514 shares of common stock and employee stock options to purchase 3,646,147 shares of common stock outstanding, respectively, which are not included in the calculation.

B. Concentration of Risk

The Company maintains its cash balances in financial institutions located in New Jersey, and periodically has cash balances in excess of Federal Deposit Insurance Corporation limits. The Company distributes its products and grants credit to its customers who are food distributors and retailers located primarily in the eastern portion of the United States. The Company generally does not require collateral or other security with regard to balances due from customers. The Company extends credit to its customers in the normal course of business and performs periodic credit evaluations of its customers, maintaining allowances for potential credit losses.

Sales to four customers during the six months ended June 30, 2006 approximated 45% and 13% and 37% and 14% of sales, respectively. Sales to two customers during the six months ended June 30, 2007, and one customer for the three months ended June 30, 2007, approximated 45% and 13% and 54% of sales, respectively. A loss to one of these customers could have a significant adverse effect on the Company's results of operations

Accounts receivable from two customers at June 30, 2006 approximated 52% and 18%, and three customers at June 30, 2007 approximated 25%, 17% and 11% of accounts receivable, respectively.

One outside vendor manufactured all of the Company's finished goods. During the three months ended June 30, 2006 and 2007, manufacturing costs of approximately $48,000 and $71,000 were incurred at this vendor. During the six months ended June 30, 2006 and 2007, manufacturing costs of approximately $85,000 and $135,000 were incurred at this vendor. Approximately $8,000 was due to this vendor at June 30, 2007.

C. Reclassifications

Certain reclassifications were made to the presentation of the 2006 financial statements in order to conform to the 2007 financial statements. Such reclassifications had no effect on the prior year's results of operations.

D. Stock-Based Compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 123R (revised 2004), "Share-Based Payment" which revised Statement of Financial Standards No. 123, "Accounting for Stock-Based Compensation" This statement supersedes Opinion No. 25, "Accounting for Stock Issued to Employees." The statement addresses the accounting for share-based payment transactions with employees, eliminates the ability to account for share-based compensation transactions using the intrinsic value method pursuant to APB 25 and requires that the compensation costs relating to such transactions be recognized at fair value in the statement of operations. The revised statement has been implemented by the Company effective January 1, 2006. The Company continued to account for stock awards issued to non-employees under the fair value method as described in EITF 96-18 "Accounting for Equity Investments that are issued to Other than Employees for Acquiring or in Conjunction with Selling Goods or Services." The Company recorded $14,275 and $343,969 in expense related to stock options for the three and six months ended June 30, 2007.

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E. Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, and ("SFAS No. 157"), which defines fair value, establishes a framework for measuring fair value using a market participant approach, and expands disclosures about fair value measurements. SFAS No. 157 will be effective for the Company beginning January 1, 2008. Management is currently evaluating the effect SFAS No. 157 will have on the Company's financial condition or results of operations.

In September 2006, the FASB issued SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans-- an amendment of FASB Statements No. 87, 88, 106, and 132(R) ("SFAS No. 158"). SFAS No. 158 requires companies to recognize the over-funded or under-funded status of their defined benefit postretirement plans as an asset or liability and to recognize changes in that funded status in the year in which the changes occur through comprehensive income. The Company adopted SFAS No. 158 on December 31, 2006. The adoption of SFAS No. 158 did not have any effect on the Company's financial condition or results of operations.

In July 2006, the Financial Accounting Standards Board ("FASB") has published FASB Interpretation No. 48 ("FIN No. 48"), Accounting for Uncertainty in Income Taxes, to address the noncomparability in reporting tax assets and liabilities resulting from a lack of specific guidance in FASB Statement of Financial Accounting Standards ("SFAS") No. 109, Accounting for Income Taxes, on the uncertainty in income taxes recognized in an enterprise's financial statements. FIN No. 48 will apply to fiscal years beginning after December 15, 2006, with earlier adoption permitted. As of January 31, 2007 FIN 48 was adopted by the Company and it did not have a material effect on the Company's financial condition or results of operations or cash flows.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value option for Financial Asset and Financial Liabilities - Including an Amendment of FASB Statement No. 115" which is effective for fiscal years beginning after November 15, 2007. This statement permits an entity to chose to measure specific financial instruments and other items at fair value at specified election dates. Subsequent unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings. We are currently evaluating the potential impact on this statement.

NOTE 3 - STOCKHOLDERS' DEFICIT

A. Capital Stock

The Company is authorized to issue 185,000,000 shares of all classes of capital stock, including 120,000,000 as common. The Company has authorized 65,000,000 shares of all classes of preferred stock, of which 4,875,850 shares are designated as Series A and 50,000,000 as Series C.

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B. Sales for Cash

On March 1 and 8, 2007, NuVim issued a total of 433,333 shares to an unrelated accredited investor for $130,000 or $.30 per share. No commissions or fees were paid in connection with this sale. He agreed in writing to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

On March 8, 2007, at the same time as the second purchase, three of NuVim's outside directors, Doug Scott, Peter DeCrescenzo, and Cal Hodock purchased 50,000, 33,333, and 16,667 shares respectively at the same price totaling $30,000 or $0.30 per share. Each director agreed in writing to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

At the end of the first quarter of 2007, NuVim received $300,000 from Julius Baer Multistock SICAV US Stock Fund, a European Institutional Investor to purchase 1,000,000 shares of common stock at a price of $.30 per share. NuVim paid a commission of $30,000 to Continental Advisors SA in connection with this sale. In addition, Continental Advisors SA received approximately $9,000 for its expenses.

During April 2007, NuVim issued a total of 972,667 shares of common stock to unrelated accredited investors for gross proceeds of approximately $291,800 or $.30 per share. Commissions and fees of approximately $27,000 were paid in connection with this sale. The investors agreed in writing to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

All cash raised in these sales has been applied to working capital.

C. Debt and Accrued Compensation Conversion

On January 30, 2007, NuVim issued 72,915 shares of common stock in lieu of cash for unpaid 2006 salary of approximately $14,600 due to Michael Vesey, NuVim's former CFO. He agreed in writing to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

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In March 2007, NuVim issued 100,000 shares of common stock to Mr. Kundrat, NuVim's CEO for the remaining balance of his 2006 executive bonus due him in the amount of $32,000.

D. Stock Issued for Services

On January 29, 2007, NuVim agreed with its Secretary and General Counsel to issue 100,000 shares of common stock as additional compensation for his services during 2007. The services have a value of approximately $16,000. He agreed in writing to hold the shares for at least one year and to the additional restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

On January 29, 2007, NuVim agreed with its operations director to issue a total of 50,000 shares of common stock as additional compensation for his services. The shares have a value of approximately $8,000. He agreed in writing to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6)

On January 30, 2007 NuVim agreed with a communications expert to provide various services for a total of 40,000 shares of common stock. The services have a value of approximately $6,400. He agreed to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

Also in March, 2007 NuVim issued 15,000 shares of common stock for services relating to its corporate presentation materials. The services have a value of approximately $5,700.

During April 2007 NuVim agreed with a communications expert to provide various services for a total of 26,000 shares of common stock. The services have a value of approximately $13,000. He agreed to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

E. Stock Option Plan

In March 2007, the Board of Directors approved the 2007 Incentive Stock Option Plan for the benefit of its officers, employees and consultants. The plan authorizes the grant of 2,000,000 shares of common stock. The plan became effective upon approval of shareholders at the Company's annual meeting in May of 2007. On May 17, 2007 the Company issued approximately options to purchase 1,050,000 shares of common stock at prices ranging from $0.40 to $0.44 per share to officers, Directors, employees and advisors to the Company.

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NOTE 4 - INCOME TAXES

Based on the Company's operating losses, no provision for income taxes has been provided for the three and six months ended June 30, 2006 and 2007.

NOTE 5 - SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

Six Months Ended June 30,	
2006	2007

Interest paid	$ 1,625	$ -

NOTE 6 - COMMITMENTS

A. Royalty, License and Supply Agreement - Related Party

In March 2000 and amended in May 2004, the Company entered into an agreement for the exclusive licensing rights, in specific territories, to produce and market certain beverage products, patented and trademarked by SMBI. The agreement was for a term of 10 years commencing on the date of the amendment, May 2004, and provided for royalties of between 1% and 2% of net sales for the duration of the agreement. The exclusive licensing agreement could be cancelled by SMBI if the Company does not meet its annual purchasing commitment under the supply agreement (see below), in which case, SMBI agrees to negotiate in good faith for a non-exclusive supply agreement.

In January 2000 and amended in May 2004, the Company entered into a supply agreement with SMBI for the purchase of SMBI's proprietary immune whey protein concentrate. The agreement is for a term of 10 years, commencing on the date of amendment, May 2004.

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The license and supply agreements were subject to the Company maintaining minimum purchases of SMBI's proprietary immune whey protein concentrate. In April of 2007 the Company and SMBI agreed to terminate the license and supply agreements. In April 2007 the Company made a final payment of $29,000 under the agreement and no further amounts are due under the agreement.

On April 9, 2007 the Company entered into a supply agreement with GNT nutrition for Nutraflora, an ingredient that provides immune system enhancement and muscle and joint flexibility enhancement. The agreement does not contain any minimum purchase commitments or provision for the payment of royalties.

B. Lease

As of December 31, 2006, the Company does not have a lease agreement with its landlord and is operating on a month to month basis. Rent expense is approximately $4,800 per month.

NOTE 7 - RELATED PARTY TRANSACTIONS

Included in selling, general and administrative expenses are salaries to immediate family members of an executive officer of the Company of approximately $9,000 and $12,000 for the three months ended June 30, 2006 and 2007, and $18,000 and $24,000 for the six months ended June 30, 2006 and 2007, respectively.

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NOTE 8 - SUBSEQUENT EVENTS

Only July 12, 2007, NuVim issued 72,000 shares of common stock to its consultant, James Schnorf, for services to be rendered having a value of $18,000.

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

OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in this Quarterly Report on Form 10-QSB. This discussion contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, but are not limited to, statements regarding:

- possible or assumed future results of operations, including statements regarding revenue mix, cost of revenues, promotion of our products through advertising, sampling and other programs, changes to our internal financial controls, trends in our operating expenses and provision for income taxes, increased costs as a result of becoming a public company and expenses related to stock-based compensation;

- financing plans, including the adequacy of financial resources to meet future needs;

- business strategies, including any expansion into new products;

- our industry environment, including our relationships with our significant customers and suppliers;

- potential growth opportunities; and

- the effects of competition.

Some of our forward-looking statements can be identified by use of words such as "may," "will," "should," "potential," "continue," "expects," "anticipates," "intends," "plans," "believes" and "estimates."

Forward-looking statements involve many risks, uncertainties and assumptions. Actual results may differ materially from those expressed in the forward-looking statements for a number of reasons, including those appearing under the caption "Factors Affecting Operating Results" and elsewhere in this Quarterly Report on Form 10-QSB. The cautionary statements contained or referred to in this report should be considered in connection with any subsequent written or oral forward-looking statements that may be issued by us or persons acting on our three quarters. We undertake no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

OVERVIEW

We produce, market, and distribute NuVim(R) beverage dietary supplements in Ready-to-drink and powder mix forms. NuVim utilizes the micronutrient NutraFlora(R), minerals, vitamins and whey protein to provide important health benefits to its consumers. Whey protein, NuVim(R)'s largest ingredient, other than water, enhances physical performance, enhances

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cardiovascular health, and promotes well being. NutraFlora(R) is uniquely capable of promoting health by supporting the growth of beneficial (probiotic) bacteria which in turn provide health benefits such as improved calcium and mineral absorption for better bone health and a strong immune system. Studies also show that NutraFlora(R) helps improves digestive functions, contributes to a healthy cholesterol, and metabolism. In addition NuVim contains 100% of vitamin C, E, B12, and Zinc and 30% vitamin A of the recommended daily requirement. NuVim products contain no fat, cholesterol, lactose, caffeine, artificial flavors or high fructose corn syrup. As we move forward each year, we try to discover additional ingredients that can deliver health benefits and not compromise the NuVim great taste to help us make NuVim the best thing you can drink.

We focus on developing the NuVim(R) brand through a mix of advertising and promotional programs that build consumer awareness, trial and repeat purchases. The marketing consists of television advertising newspaper advertising/advertorials, product sampling, coupon distribution, promotional price discounts, and a newly formed consumer NuVim(R) e-mail health newsletter that is distributed to consumers throughout the US every three weeks. NutraFlora(R) through their public relations firm is also developing and airing news segments that include the NuVim(R) health benefits. These marketing expenditures are essential to build the NuVim(R) brand. We continue to test various ways to find the most cost efficient means to use our marketing funds to increase consumer awareness, trial and repeat purchases. We believe that these advertising and promotional activities are critical to the long term growth of our business and expect to continue these programs in the future.

We have distributed our refrigerated beverages since the year 2000 and are in approximately 2,100 Supermarkets in the Eastern United States. In 2002 company revenues were $3.5 million. However, we eliminated most advertising and marketing support for our product in the second half of 2002 due to a lack of funding. We recapitalized our company in June 2005 through the conversion of approximately $7.7 million of debt into common stock and an initial public offering of our common stock and in essence restarted the company. Since that time we have concentrated our limited financial resources on developing and supporting distribution opportunities that we believe will provide the greatest profitable sales expansion potential. We continue to test with high potential retailers like Wal-Mart, Kroger, regional supermarket chains and will find other avenues of high volume and profitable business like the military, schools, colleges and hospital groups. We do not expect that all of these tests will culminate in success, but will pursue each one in the best efficient manner to determine their viability. Additional funds raised in the first months of 2007 will help achieve these goals.

We also developed a powder version of our product to be sold through direct distribution such as the internet as well as retail outlets. Sales of the product to date have not been material. We have begun a test program selling the powder in GNC stores in the Tampa Bay area. Initial results have shown poor execution by the GNC retailer at both the company owned and franchise stores.

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During 2006 we continued to have had limited funding to support product sampling and advertising programs, which we believe are critical to maintain and increase sales of our products. Therefore, we have focused our spending on promotions in accounts that we believe will offer the greatest potential for sales growth and expansion opportunities until we are able to raise funding for additional marketing programs.

Our focus is to push forward in six areas: Increase the sales per store in existing Wal-Mart supercenters and increase the number of Wal-Mart distribution centers stocking the NuVim(R) 64 ounce size; support the testing begun in the first quarter of 2007 with Kroger, the second largest US retailer; introduce a shelf stable 12 ounce in three varieties for the 1,500 independent shelf stable US distributors that service the nearly 700,000 points of distribution in the away from home consumption markets like schools, colleges, cafeterias, delis, hospitals, convenience stores and other food service businesses.; increase sales of the newly introduced powder version in three varieties through the internet, retail sales, and fund raising programs with non-profit organizations; increase profitable sales to current and new supermarkets; and introduce NuVim to the military commissaries and troop feeding. We continue to talk with other companies that provide synergy for a possible merger opportunity and now that the shelf stable products are closer to introduction we are reviewing export sales.

In 2006 we launched an equity funded print news media campaign to educate consumers about the benefits of NuVim(R) and create market awareness for our product. The media program will continue into the fourth quarter of 2007 or until the contracted amount of the newspaper features has been completed.

We have produced a 30 second television commercial for the refrigerated products, a 60 second television commercial for the powder product and a 5 minute powder infomercial for the product and plan to air these commercials 2,000 times through Platinum Television Group. Both the 30 second and 60 second commercials are aired monthly on selected programs in several markets each month. These airing of the commercials are part of the equity deal that we made with PTG previously.

In late 2003 we began a test program with a single Wal-Mart supercenter. In late 2004 the test was expanded to one Wal-Mart distribution center, covering 43 supercenters and then a further expansion in late 2005 to two additional distribution centers that covered most of the Wal-Mart supercenters in the State of Florida. In April 2006, we increased our distribution to two more Wal-Mart distribution centers and in the third quarter of 2006 one more distribution center was added. We now serve almost 300 supercenters and seven distribution centers in 6 states. Same store sales for Wal-Mart from February through June were up 85%. Wal-Mart sales are tracked from their system starting in February because that is the beginning of their fiscal year.

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SALES RESULTS

The table set forth below discloses selected data regarding sales for the quarter and the half year ended June 30, 2007 and 2006. The data is not necessarily indicative of continuing trends.

Sales of beverages are expressed in unit case volume. A "unit case" means a unit of measurement equal to 512 U.S. fluid ounces of finished beverage (eight 64-ounce containers). Unit case volume means the number of unit cases (or unit case equivalents) of beverages directly or indirectly sold by us. Gross cases sold to the customer represent the number of cases shipped to the customer prior to any returned cases containing product that has not been sold by its expiration date.

UNIT CASE VOLUME/CASE SALES

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2006	2007	2006	2007
Gross Cases Sold	17,785	19,037	32,532	36,643
Gross Sales	$ 327,079	$ 347,170	598,152	675,303
Net Sales	$ 305,372	$ 232,246	481,593	473,068

Case shipments of our refrigerated product increased by 4,111 and 1,252 or 11 % and 7%, respectively, during the first half and second quarter of 2007 compared with the same periods in the prior year. The reasons for the six month changes were increases in Wal-Mart same store sales of 90% and increases to Wal-Mart distribution centers of 48% an increase of 22% at Shoprite the largest supermarket chain in New York, an increase at Giant, largest account in Harrisburg of 16%, and increase with the largest chain in Pittsburgh Giant Eagle of 12% and even sales at Acme Philadelphia. Off setting the increases were reductions in sales to accounts that have proven unprofitable and a reduction in the Wal-Mart distribution center and store inventory to approximately 1.6 weeks at both store level and distribution centers. This reduction of 47% at the distribution centers and 11% at store level helps Wal-Mart control their costs and assist in keeping the freshest product on the shelf. Even though same store retail sales increased by 90%, NuVim cases sold to the distribution centers were lessened due to the 47% warehouse reduction in inventory.

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RESULTS OF OPERATIONS

Results of operations for the three months ended June 30, 2007 compared to the three months ended June 30, 2006

Gross Sales. For the three months ended June 30, 2007, gross sales were $347,170, an increase of $20,091 or 6% over gross sales of $327,079 for the three months ended June 30, 2006. The increase in gross sales is primarily attributable to the increase in Wal-Mart sales and selected other accounts as stated above.

Discounts, Allowances and Promotional Payments. For the three months ended June 30, 2007, promotional allowances and discounts were $114,924, an increase of $93,217 from the promotional allowances and discounts of 21,707 for the three months ended June 30, 2006. This increase is primarily attributable to higher promotional monies spent against price discounts to attract new customers to the NuVim franchise during the quarter when juice product prices had an escalation in retail prices due to the juice manufacturing issues in California and Florida. We expect that we gained new users that hopefully have broadened the base of regular NuVim users.

We record the price reductions, which are reimbursed by us to the retailers, in accordance with Financial Accounting Standards Board Emerging Issues Task Force, No. 01-09, Accounting for Consideration Given by a Vendor to a Customer. We expect to continue to use price promotions and coupon distribution selectively as a means to promote consumer sampling and trial of our product into the foreseeable future. Total Discounts, Allowances and Promotional payments as a percentage of gross sales increased from 7% for the three months ended June 30, 2006 to 33% for the three months ended June 30, 2007.

	THREE MONTHS ENDED JUNE 30,		
	2007	2006	
Discounts for timely payment	$ 2,719	$ 3,629	$
Product returned after its expiration date	29,675	6,029	
Promotional price allowances, coupons and other incentives	80,203	11,197	
Slotting fees	2,327	852	
Total Discounts, Allowances and Promotional Payments	$ 114,924	$ 21,707	$

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Net Sales. Net sales for the three months ended June 30, 2007 were $232,246, a decrease of $73,126, or 24% below net sales of $305,372 for the three months ended June 30, 2006. The decrease in net sales is primarily attributable to the increase in promotional spending in an attempt to gain more consumer trials during this period of higher orange juice and other juice product retail prices as discussed above. According to the acceptable accounting practices the marketing expenditures related to discounting the price to the consumer including special price promotions and coupon expenses must be reduced from gross sales to determine net sales.

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Cost of Sales. For the three months ended June 30, 2007, cost of sales was $224,592, an increase of $36,623, or 19% higher than cost of sales of $187,969 for the three months ended June 30, 2006. Cost of sales as a percentage of gross sales increased due to the case sales increase and excluding the powder costs which are stated at inventory cost versus replacement cost the second quarter costs were the same on a per case basis as the first quarter. Cost of sales includes approximately $23,000 of expense related to NuVim powder product that was used for sampling purposes and generated little or no revenue.

Gross Profit. Gross profit was $7,654 for the three months ended June 30, 2007, a decrease of $109,749 from the gross profit of $117,403 for the three months ended June 30, 2006. Gross profit as a percentage of gross sales was 2.2% for the three months ended June 30, 2007 compared to 35.8% for the three months ended June 30, 2006. The decrease in gross profit as a percentage of gross sales was primarily due to increase in promotion price reductions to the consumer to help build consumer trial at the feature pricing versus other products in the juice section and sampling costs related to the powder product. Without the unusual, one-time powder promotion expense, the Gross Profit would have been about $30,000.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $677,381 for the three months ended June 30, 2007, an increase of $185,982, or 38% from selling, general and administrative expenses of $491,399 for the three months ended June 30, 2006. The increase is entirely attributable to non cash compensation expense of $330,000 related to stock options issued in the three months ended June 30, 2007. Selling, general and administrative expenses exceeded net sales in both periods as we increased sampling, and advertising to help build the long term franchise. Administrative cost decreased by $145,279 or 36% versus first quarter 2006.

Loss from Operations. Loss from operations was $669,727 for the three months ended June 30, 2007 compared to $373,996 for the three months ended June 30, 2006. The increase is due to non cash compensation expense of $330,000 related to stock options issued in the three months ended June 30, 2007.

Interest Expense. Interest expense was $20,974 for the three months ended June 30, 2007; a decrease of $15,499, or 43%, from interest expense of $36,473 for the three months ended June 30, 2006. The decrease in interest expense is primarily attributable to the retirement of indebtedness.

Net Loss. Net loss was $677,180 for the three months ended June 30, 2007 compared to $401,866 for the three months ended June 30, 2006. The $275,314 increase in net loss was primarily attributable to increase in non cash compensation expense, (stock option expense) despite the lower administrative costs, elimination of royalty payments, decrease in distribution and reclaim costs and lower interest expense.

Results of operations for the six months ended June 30, 2007 compared to the six months ended June 30, 2006

Gross Sales. For the six months ended June 30, 2007, gross sales were $675,303, an increase of $77,151, or 13% higher than gross sales of $598,152 for the six months ended June 30, 2006. The increase in gross sales for six months is primarily attributable the increases at Wal-Mart, Shoprite, Giant , Giant Eagle and new sales at Kroger and GNC. The first six months of 2006 was the best performance in several years and we managed to beat that by 13%.

Discounts, Allowances and Promotional Payments. For the six months ended June 30, 2007, promotional allowances and discounts were $202,235, an increase of $85,676 or 74%, from the promotional allowances and discounts of $116,559 for the six months ended June 30, 2006. This increase is primarily attributable to higher feature activity to gain consumer trial at discounted feature pricing while juice and juice related pricing was at their highest in several years. We record the price reductions, which are reimbursed by us to the retailers, in accordance with Financial Accounting Standards Board Emerging Issues Task Force, No. 01-09, Accounting for Consideration Given by a Vendor to a Customer. We expect to continue to use price promotions and coupon distribution selectively as a means to promote consumer sampling and trial of our product into the foreseeable future. Product returned after its expiration date increased despite the higher sales volume discussed above.

	SIX MONTHS ENDED JUNE 30,		
	2007	2006	
Discounts for timely payment	$ 5,215	$ 9,523	$
Product returned after its expiration date	59,486	65,110	
Promotional price allowances, coupons and other incentives	133,533	41,073	
Slotting fees	4,000	853	
Total Discounts, Allowances and Promotional Payments	$ 202,235	$ 116,559	$

Net Sales. Net sales for the six months ended June 30, 2007 were $473,068, a decrease of $8,525, or 1.7% lower than net sales of $481,593 for the six months ended June 30, 2006. The decrease in net sales is primarily attributable to the increase in discount feature activity discussed above.

Cost of Sales. For the six months ended June 30, 2007, cost of sales was $393,537, an increase of $84,337, or 27% higher than cost of sales of $309,200 for the six months ended June 30, 2006. Cost of sales as a percentage of gross sales increased to 58% for the six months ended June 30, 2007, compared to 52% for the six months ended June 30, 2006. The increase in cost of sales as a percentage of gross sales was primarily the result of higher price discount allowances. Cost of sales includes approximately $23,000 of expense related to NuVim powder product that was used for sampling purposes and generated little or no revenue.

Gross Profit. Gross profit was $79,531 for the six months ended June 30, 2007, a decrease of $92,862 from the $172,393 gross profit for the six months ended June 30, 2006. Gross profit as a percentage of gross sales was 12% for the six months ended June 30, 2007 compared to the gross profit of approximately 29% for the six months ended June 30, 2006. The decrease in gross profit as a percentage of gross sales was primarily due to the higher price discounts and promotional allowances and sampling costs related to the powder product. Without the unusual, one-time powder promotion expense, the Gross Profit would have been about $110,000.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $1,009,791 for the six months ended June 30, 2007, an increase of $5,719, or 1% from selling, general and administrative expenses of $1,004,072 for the six months ended June 30, 2006. Selling, general and administrative expenses for the six months ended June 30, 2007 include non cash compensation expense of approximately $344,000 related to stock options issued during the period. Selling, general and administrative expenses exceeded net sales in both periods as we are still in an early stage of our development and have not achieved sales volumes sufficient to generate net sales in excess of our selling, general and administrative expenses.

Loss from Operations. Loss from operations was $930,260 for the six months ended June 30, 2007 compared to $831,679 for the six months ended June 30, 2006. The $98,581 increase in loss from operations was primarily attributable to the lower gross profit and higher selling, general and administrative expenses described above. The increase is primarily due to $330,000 of option expense not reflected in the comparable period for last year.

Interest Expense. Interest expense was $41,624 for the six months ended June 30, 2007; a decrease of 31,914, or 44%, from interest expense of $73,538 for the six months ended June 30, 2006. The decrease in interest expense is primarily attributable to the retirement of indebtedness.

Net Loss. Net loss was $958,363 for the six months ended June 30, 2007 compared to $896,569 for the six months ended June 30, 2006. The $61,794 increase in net loss was primarily attributable to the factors discussed above. Without the option expense, the net loss would have been cut by about $270,000.

LIQUIDITY AND CAPITAL RESOURCES

Our operations to date have generated significant operating losses that have been funded through the issuance of common stock and external borrowings. We will require additional sources of outside capital to continue our operations.

Through April 30 2007, NuVim has raised a net of approximately $684,000 in new working capital through the sale of common stock and has obtained services valued at approximately $49,000 in exchange for its common stock.

We have participated in the New Jersey Economic development Authority Tax Transfer program for the past 5 years and will again this year. Approximately $442,000 was received from this program in December of 2006. We have already applied for the 2007 program.

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We will need to raise additional financing to pay down our obligations, fund operating losses and to support sales and marketing programs to increase sales of our products. If we are not able to identify additional sources of financing, we may not be able to continue operations beyond 2007.

Net cash used in operating activities for the six months ended June 30, 2007 was $587,412, compared to cash used in operating activities of $768,243 during the same period in 2006. The decrease in cash used by operating activities during the first six months of 2007 was primarily attributable to lower loss before non cash compensation costs.

Cash from financing activities primarily represents net proceeds from the sale of common stock of $683,820 and $533,875 for the six months ended June 30, 2007 and 2006, respectively.

APPLICATION OF RECENT AND CRITICAL ACCOUNTING POLICIES AND PRONOUNCEMENTS

RECENT ACCOUNTING PRONOUNCEMENTS

In July 2006, the Financial Accounting Standards Board ("FASB") has published FASB Interpretation No. 48 ("FIN No. 48"), Accounting for Uncertainty in Income Taxes, to address the noncomparability in reporting tax assets and liabilities resulting from a lack of specific guidance in FASB Statement of Financial Accounting Standards ("SFAS") No. 109, Accounting for Income Taxes, on the uncertainty in income taxes recognized in an enterprise's financial statements. FIN No. 48 will apply to fiscal years beginning after December 15, 2006, with earlier adoption permitted. As of January 31, 2007 FIN 48 was adopted by the Company and it did not have a material effect on the Company's financial condition or results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements, and ("SFAS No. 157"), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. SFAS No. 157 will be effective for the Company beginning January 1, 2008. Management is currently evaluating the effect SFAS No. 157 will have on the Company's financial condition or results of operations.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value option for Financial Asset and Financial Liabilities - Including an Amendment of FASB Statement No. 115" which is effective for fiscal years beginning after November 15, 2007. This statement permits an entity to chose to measure many financial instruments and other items at fair value at specified election dates. Subsequent unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings. We are currently evaluating the potential impact on this statement in connection with our evaluation of SFAS No. 157.

CRITICAL ACCOUNTING ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities, revenues and expenses, and related disclosure on contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting policies are defined as those that are reflective of significant judgments, estimates and uncertainties and potentially result in materially different results under different assumptions and conditions.

PLACEMENT AND PROMOTIONAL ALLOWANCES AND CREDITS FOR PRODUCT RETURNS

As an inducement to our customers to promote our products in preferred locations of their stores, we provide placement and promotional allowances to certain customers. We also provide credits for customer coupon redemptions, consumer price reductions, and product which has not been sold by its expiration date. These allowances and credits are reflected as a reduction of revenue in accordance with Emerging Issues Task Force ("EITF") No. 01-9, which requires certain sales promotions and customer allowances previously classified as selling, general and administrative expenses to be classified as a reduction of sales or as cost of goods sold. Provisions for promotional allowances are recorded upon shipment and are typically based on shipments to the retailer during an agreed upon promotional period. We expect to offer promotional allowances at historical levels in the near future as an incentive to our customers. One time per account slotting or placement fees are deducted from revenue in the period paid.

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Provisions for coupon redemptions and product returned that has reached its expiration date are based on historical trends. Information such as the historical number of cases returned per unit shipped, product shelf life, current sales volume, and coupons distributed during the period are used to derive estimates of the required allowance. As we expand production and introduce new products, we may incur increased levels of returned goods. Also, our estimates assume we will continue as a going concern and maintain distribution with wholesalers and supermarkets that currently carry our product. If a supermarket or wholesaler discontinues our product, we may experience return rates in excess of our historical trend. This could result in material charges to future earnings for reimbursements to our customers for returned, unsold product.

ACCOUNTS RECEIVABLE

We evaluate the collectibility of our trade accounts receivable based on a number of factors. Accounts receivable are unsecured, non-interest bearing obligations that are typically due from customers between 10 and 30 days of the invoice date. We apply collections in accordance with customer remittance advices or to the oldest outstanding invoice if no remittance advice is presented with payment. Our overall receivables are approximately 17 days.

We estimate an allowance for doubtful accounts and revenue adjustments based on historical trends and other criteria. We have had only one account that could not be collected since the inception of the company in 2000. The amount was less than $10,000. Further, as accounts receivable outstanding are deemed uncollectible or subject to adjustment, these allowances are adjusted accordingly. In circumstances where we become aware of a specific customer's inability to meet its financial obligations to us, a specific reserve for bad debts is estimated and recorded which reduces the recognized receivable to the estimated amount we believe will ultimately be collected. In addition to specific customer identification of potential bad debts, bad debt charges are recorded based on our recent past history and an overall assessment of past due trade accounts receivable outstanding. We also estimate the amount of credits for product placement, promotion and expired product that are expected to be issued for product sold based on an evaluation of historical trends and record an allowance when the sale is recorded.

INFLATION

We do not believe that inflation had a significant impact on our results of operations for the periods presented.

OFF-BALANCE SHEET TRANSACTIONS

At June 30, 2007, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

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FACTORS AFFECTING OPERATING RESULTS

Investing in our shares involves a high degree of risk. You should carefully consider the following risks, as well as the other information in this report, before deciding whether to invest in our shares. If any of the following risks actually occur, our business, financial condition, results of operations and liquidity could suffer. In that event, the trading price of our shares could decline and you might lose all or part of your investment.

WE WILL NEED TO RAISE ADDITIONAL CAPITAL.

We are currently operating at a loss and expect our expenses to continue to increase as we expand our product line as well as our geographic presence throughout the United States. To date, we have relied primarily on financing transactions to fund operations. We could face unforeseen costs such as an increase in transportation costs resulting from the recent significant increases in the cost of fuel; or our revenues could fall short of our projections because retail outlets discontinue ordering our products or for reasons unrelated to our products, such as a revenue decline due to changes in consumer habits and preferences or we may achieve lower margins than planned on our products due to cost increases or competitive pricing pressure.

During the first six months of 2007, NuVim raised a net total of $684,000 from European Institutional and United States accredited investors and obtained an additional about $49,000 of services in exchange for common stock.

We will still continue to need additional funds to continue operations. New sources of capital may not be available to us when we need it or may be available only on terms we would find unacceptable. If such capital is not available on satisfactory terms, or is not available at all, we will be unable to continue to fully develop our business and our operations and financial condition will be materially and adversely affected. Such a lack of additional funding could force us to cease operations altogether. Debt financing, if obtained, could increase our expenses and would be required to be repaid regardless of operating results. In addition, if we raise additional funds through the issuance of equity, equity-related or convertible debt securities, these securities may have rights, preferences or privileges senior to those of the rights of our ordinary shares and our shareholders may experience additional dilution. Any such developments can adversely affect your investment in our company, harm our financial and operating results, and cause our share price to decline.

OUR AUDITORS HAVE SUBSTANTIAL DOUBT ABOUT OUR ABILITY TO CONTINUE AS A GOING CONCERN.

In their report in connection with our 2006 financial statements, our auditors included an explanatory paragraph stating that, because we have incurred net losses and have a net capital deficiency for the years ended December 31, 2005 and 2006, and as of June 30, 2007 our continued existence will depend in large part upon our ability to successfully secure additional financing to fund future operations. Our initial public offering was not sufficient to completely alleviate these concerns; the proceeds have been adequate to fund operations to date, but we will need to raise additional funding to continue operations. If we are not able to achieve positive cash flow from operations or to secure additional financing as needed, we will continue to experience the risk that we will not be able to continue as a going concern.

Our continued existence will depend in large part upon our ability to successfully secure additional financing to fund future operations. Our initial public offering was not sufficient to completely alleviate these concerns. If we are not able to achieve positive cash flow from operations or to secure additional financing as needed, we will continue to experience the risk that we will not be able to continue as a going concern.

We have not had sufficient capital to operate our business for approximately three years, and as a result, we have negotiated extended payment terms on approximately $770,000 of notes payable which are due and payable upon receipt of additional financing.

These outstanding obligations may make it difficult to raise additional financing.

OUR LIMITED OPERATING HISTORY MAKES EVALUATION OF OUR BUSINESS DIFFICULT.

We have a limited operating history and have encountered, and expect to continue to encounter, many of the difficulties and uncertainties often faced by early stage companies. We commenced our business operations in 1999 and began marketing our initial products in 2000 on a limited basis. Accordingly, we have only a limited operating history with which you can evaluate our business and prospects. An investor in our units must consider our business and prospects in light of the risks, uncertainties and difficulties frequently encountered by early stage companies, including limited capital, delays in product development, possible marketing and sales obstacles and delays, inability to gain customer acceptance or to achieve significant distribution of our products to customers and significant competition. We cannot be certain that we will successfully address these risks. If we are unable to address these risks, our business may not grow, our stock price may suffer and/or we may be unable to stay in business.

WE HAVE A HISTORY OF LOSSES AND WE EXPECT TO CONTINUE TO OPERATE AT A LOSS FOR THE FORESEEABLE FUTURE.

Since our inception in 1999, we have incurred net losses in every year, including net losses of $2,396,902 for the year ended December 31, 2005, $1,778,959 for the year ended December 31, 2006 and $677,180 and $958,363 for the three and six months, respectively, ended June 30, 2007. We had a working capital deficit of $317,432 at June 30, 2007 as compared with $506,292 as of December 31, 2006 and have negative cash flows from operations. As a result of ongoing operating losses, we also had an accumulated deficit of $22,982,383 and a stockholders' deficit of $1,369,123 at the end of the second quarter. We expect to incur losses until at least through 2007 and may never become profitable. We also expect that our expenses will increase substantially for the foreseeable future as we seek to expand our product line and sales and distribution network, implement internal systems and infrastructure and comply with the legal, accounting and corporate governance requirements imposed upon public companies. These ongoing financial losses may adversely affect our stock price.

OUR CONTINUED PROGRESS DEPENDS OF CONSUMER ACCEPTANCE OF THE REFORMULATED BEVERAGE

In the second quarter of 2007, NuVim introduced a reformulated beverage and began producing it at a new plant. Although the new formulation maintains the same taste, reduces calories per serving from 70 to 45, eliminates High Fructose Corn Syrup, as an ingredient, and introduces NutraFlora(R) an active ingredient with more, and more recent, clinical support for its improvement of mineral absorption, particularly the calcium and magnesium necessary for bone strength, reinforcing the immune system, our consumers may not all continue to enjoy the NuVim(R) beverages and new customers attracted by the reduced sugar and calories and the improved health benefits may not replace all the old customers lost because of the changes.

OUR BUSINESS DEPENDS ON THE ACCEPTANCE OF OUR PRODUCTS IN BOTH EXISTING AND NEW MARKETING AREAS.

We intend to expand into new geographic areas and broaden our product offerings to generate additional sales. Our refrigerated beverage products are currently available from southern Connecticut to Miami and as far West as Pittsburgh including such supermarket chains as ShopRite, Pathmark, A&P, Gristedes, Food Emporium, Walbaums, Acme Giant, Giant Eagle, Publix, Kroger and Wal-Mart. Although marketing funds have been limited we have been able to maintain distribution due to our loyal consumer base who have felt the NuVim difference and continue to buy NuVim on a regular basis. The supermarket chain accounts see NuVim as a one of a kind product that offers the consumer a healthily choice to high sugar and high caffeine carbonated and non- carbonated beverages. We do not know whether the level of market acceptance we have received in our current markets for our products will be matched or exceeded in the geographic locations we are newly serving or in other areas of the country as we expand our distribution in the future. We also will need to raise additional financing to support this expansion.

We can give no assurance that we will expand into new geographic areas or successfully expand our product line. It is unlikely that we will achieve profitability and otherwise have a successful business unless we are able to gain market acceptance of our existing and future products over a wide geographic area.

CONSUMERS WHO TRY OUR PRODUCTS MAY NOT EXPERIENCE THE HEALTH BENEFITS WE CLAIM, WHICH MAY CAUSE THEM TO DISCONTINUE USING OUR PRODUCTS.

Although there is substantial clinical evidence showing that NuVim(R)`s ingredients produce the desired results, there have been no studies of our specific formulation. Therefore, we currently cannot confirm that the health benefits of our products will be evident to casual consumers of our products. Consumers may determine that drinking 12 ounces of NuVim per day for a minimum of 30 days requires more discipline and expense than they are willing to devote. If consumers do not use our product in the quantity or for the duration we recommend, they may not achieve the health benefits we claim, which may cause them to make alternative nutritional beverage and/or dietary supplement purchasing decisions.

OUR BUSINESS MAY SUFFER FROM LACK OF DIVERSIFICATION.

Our business is centered on nutritional beverages. The risks associated with focusing on a limited product line are substantial. If consumers do not accept our products or if there is a general decline in market demand for, or any significant decrease in, the consumption of nutritional beverages, we are not financially or operationally capable of introducing alternative products within a short time frame. As a result, such lack of acceptance or market demand decline could cause us to cease operations.

EXPANSION OF OUR BUSINESS IS DEPENDENT ON OUR ABILITY TO EXPAND PRODUCTION.

We currently manufacture our refrigerated product line at Mountainside Farms in Roxbury, New York. Our ability to expand beyond our current marketing areas depends on, among other things, the ability to produce our product in commercial quantities sufficient to satisfy the increased demand. Although our present production capacity is sufficient to meet our current and short-term future production needs, production capacity may not be adequate to supply future needs. If additional production capacity becomes needed, it will be necessary to engage additional co-packers or to expand production capacity at our present co-packer facility. If we expand production at Mountainside Farms Dairy, we risk having to pay significantly greater transportation costs to transport our products to warehouses in other regions of the United States. Any new co-packing arrangement raises the additional risk of higher marginal costs than we currently enjoy since we would be required to negotiate new terms with any new co-packer. We may not be able to pass along these higher costs to our customers. If we are unable to pass along the higher production costs imposed by new co-packers to our customers, we either will suffer lower gross margins and lower profitability, once achieved, or we may be unable to expand our business as we have planned, which could disappoint our stockholders.

OUR BUSINESS CONTAINS RISKS DUE TO THE PERISHABLE NATURE OF OUR PRODUCT.

Our current refrigerated product is a perishable beverage that has a limited shelf-life of approximately 83 days. This restricted shelf life means that we do not have any significant finished goods inventory and our operating results are highly dependent on our ability to accurately forecast near term sales in order to adjust our raw materials sourcing and production needs. When we do not accurately forecast product demand, we are either unable to meet higher than anticipated demand or we produce excess inventory that cannot be profitably sold. Additionally, our customers have the right to return products that are not sold by their expiration date. Therefore, inaccurate forecasts that either mean that we are unable meet higher than anticipated demand or that result in excess production, or significant amounts of product returns on any of our products that are not sold by the expiration date could cause customer dissatisfaction, unnecessary expense and a possible decline in profitability.

GOVERNMENT REGULATION MAY ADVERSELY AFFECT OUR BUSINESS.

Our business is subject to government regulation, principally the United States Food and Drug Administration (the "FDA"), which regulates the processing, formulation, packaging, labeling and advertising of dietary products, and to a lesser extent, state governments, where state attorneys general have authority to enforce their state consumer protection acts. Specifically, we are subject to the Dietary Supplement and Health Education Act ("DSHEA"). Under DSHEA, dietary supplements are permitted to make "statements of nutritional support" with notice to the FDA, but without FDA pre-approval.

The FDA does not allow claims that a dietary product may mitigate, treat, cure or prevent disease. There can be no assurance that at some future time the FDA will not determine that the statement of nutritional support we make on our packaging is a prohibited claim rather than an acceptable nutritional support statement. Such a determination by the FDA would require deletion of the treatment, cure or prevention of disease claim, or, if it is to be used at all, submission by our company and the approval by the FDA of a new drug application, which would entail costly and time-consuming clinical studies, or revision to a health claim, which would require demonstration of substantiated scientific evidence to support such claim and would also consume considerable management time and financial resources.

Our advertising of dietary supplement products is also subject to regulation by the Federal Trade Commission (the "FTC") under the Federal Trade Commission Act, which prohibits unfair or deceptive trade practices, including false or misleading advertising. The FTC in recent years has brought a number of actions challenging claims made by companies that suggest that their products are dietary supplements. No assurance can be given that actions will not be brought against us by the FTC or any other party challenging the validity of our product advertising claims.

OUR BUSINESS MAY BE SUBJECT TO PRODUCT LIABILITY CLAIMS RELATING TO CONSUMER USE OF OUR PRODUCTS.

As a marketer of beverages that are ingested by consumers, we face an inherent risk of exposure to product liability claims if the use of our products results in injury or our labeling contains inadequate warnings concerning potential side effects. With respect to product liability claims, we have obtained a $2.0 million liability insurance policy ($2.0 million per occurrence), which we believe is adequate for our kind of business activity. The policy contains certain exclusions that would pertain to food products such as the additional products exclusion for bodily injury or property damage arising out of the manufacture, handling, distribution, sale, application or use of certain specified products (e.g., silicone, latex, and dexfenfluramine, among others), the intended injury and the willful and intentional acts exclusions. There can be no assurance that such insurance will continue to be available at a reasonable cost, or, if available, that it will be adequate to cover potential liabilities. If we are found liable for product liability claims that exceed our coverage or are subject to a policy exclusion, such liability could require us to pay financial losses for which we have not budgeted and may not have adequate resources to cover. If the uninsured losses were significantly large enough to impact our ability to continue our then-existing level of operations, we might experience a decline in net income and earnings per share, and our stock price might suffer. In an effort to limit any liability, we generally obtain contractual indemnification from parties supplying raw materials or marketing our products. Such indemnification is limited, however, by the terms of each related contract and, as a practical matter, by the creditworthiness of the indemnifying party.

Despite the insurance coverage that we plan on maintaining, it is possible that we may be sued if one or more consumers believe our products have caused them harm. While no such claims have been made to date, the results of any such suit could result in significant financial damages to us, as well as serious damage to the reputation and public perception of our company, even if we are ultimately found not to be at fault.

ITEM 3. CONTROLS AND PROCEDURES.

The Mr. Kundrat, NuVim's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of its disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the Exchange Act) means controls and other procedures of a company that are designed to ensure that this information is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based upon their evaluation of its disclosure controls and procedures, the Company's chief executive and the chief financial officer have concluded that, as of June 30, 2007 and as of the date of filing, the controls, and procedures were effective at a reasonable assurance level and will continue to operate as designed.

NuVim maintains certain internal controls over financial reporting that are appropriate, consistent with cost-benefit considerations, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. No changes effecting NuVim's internal controls occurred during the first half of 2007.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

There are at present no legal proceedings pending against the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Sales for Cash

In April 2007 five investors represented by Paulsen Investment Company, Inc. and an additional private investor purchased a total of 872,667 shares of common stock for $261,800 or $0.30 per share. Paulson will receive a commission of $22,680 on the 772,667 shares sold to its clients. Each purchaser represented in writing that it was an accredited investor and it agreed in writing to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

Also in April, Montalcino, S.A., a Luxemburg based mutual fund, purchased 100,000 shares for $30,000, a price of $.30 per share. NuVim paid a commission of $3,000 to Continental Advisors SA in connection with this sale. In addition, Continental Advisors SA received $900 for its expenses. The purchaser represented in writing that it was an accredited investor and it agreed in writing to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the Securities Act as not involving a public distribution under section 4(2) and 4(6).

All of the cash was used for working capital.

Common Stock Issued for Services

Also in April, NuVim agreed with a communications expert to provide various services for a total of 26,000 shares of common stock. The services have a value of approximately $13,000. He agreed to restrictions on resale placed with the NuVim's transfer agent and the printing of a legend on its certificate. Because of these factors, this sale was exempt from registration under the

Securities Act as not involving a public distribution under section 4(2) and 4(6).

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. - SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

On May 9, 2007, NuVim held its Annual Shareholders Meeting. At that meeting, the five incumbent directors, Richard P. Kundrat, Stanley Moger, Calvin Hodock, Peter V. DeCrescenzo, and Doug Scott were all re-elected. Each received 7,013,241 votes while the votes of 5,911 shares were withheld. The shareholders also approved the 2007 Stock Option Plan by a vote of 4,639, 763 in favor and 60.039 opposed.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

(a) Current Reports on Form 8-K: None

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

EXHIBIT NO.	DESCRIPTION
31.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NUVIM, INC.

Date: September 26 , 2007 By: /s/ RICHARD P. KUNDRAT

Richard P. Kundrat
Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

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Date: September 26 , 2007     By:    /s/ RICHARD P. KUNDRAT
                                     --------------------------------------------
                                     Richard P. Kundrat
                                     Chief Financial Officer
                                     (Principal Financial and Accounting Officer)
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