NEOGENOMICS INC
Form 10QSB
November 20, 2002

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

FORM 10-QSB

(X) Quarterly report pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934.

For the quarterly period ended September 30, 2002.

( ) Transition report pursuant to Section 13 or 15(d) of the Exchange Act for the transition period from _____ ____________ to ____________ .

Commission File Number: 333-72097

NeoGenomics, Inc.
(F/K/A American Communications Enterprises, Inc.)
(Exact name of registrant as specified in charter)

Nevada	**74-2897368**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1085 Business Lane Suite 8, Naples, FL 34110

(Address of principal executive offices)

(941) 923-1949

(Registrant's Telephone Number, Including Area Code)

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

YES (X) NO ( )

State the number of shares outstanding of each of the issuer's classes of common equity, as of September 30, 2002.

440,677,012

Transitional Small Business Disclosure Format:

YES ( ) NO (X)

NeoGenomics, Inc.
(A Development Stage Enterprise)

INDEX TO FORM 10-QSB

PART I

FORWARD-LOOKING STATEMENTS

Certain statements contained in this filing are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to financial results and plans for future business development activities, and are thus prospective. These statements appear in a number of places in this Form 10-QSB and include all statements that are not statements of historical fact regarding intent, belief or our current expectations, with respect to, among other things: (i) our financing plans; (ii) trends affecting our financial condition or results of operations; (iii) our growth strategy and operating strategy; and (iv) the declaration and payment of dividends. The words "may," "would," "could," "will," "expect," "estimate," "anticipate," "believe," "intend," "plan," and similar expressions and variations thereof are intended to identify forward-looking statements.

Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond our ability to control. Actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Among the key risks, assumptions and factors that may affect operating results, performance and financial condition are changes in technology, fluctuations in our quarterly results, ability to continue and manage our growth, liquidity and other capital resources issues, competition and the other factors discussed in detail in our filings with the Securities and Exchange Commission.

NeoGenomics, Inc.
(A Development Stage Enterprise)

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2002 (unaudited)

ASSETS	
CURRENT ASSETS:	
Cash	$ 23,563
Accounts receivable (net of allowance for doubtful accounts of $710)	30,883
Inventory	16,347
Due from shareholder	3,750
Deposits	3,916
Total current assets	78,459
PROPERTY AND EQUIPMENT (net of accumulated depreciation of $31,577)	389,990
TOTAL	$ 468,449
LIABILITIES AND STOCKHOLDERS' DEFICIT	
CURRENT LIABILITIES:	
Accounts payable	$ 209,805
Accrued expenses	23,559
Accrued payroll	19,133
Due to affiliates	121,594
Total current liabilities	374,091
STOCKHOLDERS' DEFICIT:	

Common stock, $.001 par value, 500,000,000 shares authorized; 440,677,012 shares issued and outstanding	440,678
Additional paid-in capital	12,100,086
Deferred stock compensation	(2,315,154)
Deficit accumulated during the development stage	(10,131,252)
Total stockholders' deficit	(94,358)
TOTAL	$ 468,449

See notes to consolidated financial statements.

4

NeoGenomics, Inc.
(A Development Stage Enterprise)

CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Nine-Months Ended September 30, 2002	For the Period June 1, 2001 (date of incorporation) to September 30, 2001	For the Three-Months Ended September 30, 2002	For the Three-Months Ended September 30, 2001	Jun (inc to
REVENUE	$ 36,353	$ 1,000	$ 27,869	$ 1,000	$
COST OF REVENUE	136,762	-	61,033	-	
GROSS (DEFICIT) PROFIT	(100,409)	1,000	(33,164)	1,000	
OPERATING EXPENSES:					
Stock based compensation	1,535,748	7,155,000	491,916	-	
General and administrative	378,332	196	190,949	196	
Research and development	34,190	-	15,258	-	
Interest expense	4,608	-	911	-	
Total operating expenses	1,952,878	7,155,196	699,034	196	1
NET INCOME (LOSS)	$ (2,053,287)	$(7,154,196)	$ (732,198)	$ 804	$ (1
NET INCOME (LOSS) PER SHARE-					
Basic and Diluted	$ (0.005)	$ (0.03)	$ (0.002)	$ 0.00	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING -					
Basic and Diluted	413,806,400	238,500,000	428,784,100	238,500,000	

See notes to consolidated financial statements.

NeoGenomics, Inc.
(A Development Stage Enterprise)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Nine-Months Ended September 30, 2002	For the Period June 1, 2001 (date of incorporation) to September 30, 2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,053,287)	$ (7,154,196)
Adjustments to reconcile net loss to net cash provided (used in) operating activities:		
Depreciation	31,504	-
Amortization of deferred stock compensation	1,475,748	-
Stock based compensation and consulting	176,769	7,155,000
Provision for bad debts	710	-
Non-cash expenses	2,075	-
Changes in assets and liabilities, net:		
Decrease (increase) in deposits	(2,616)	-
Increase in inventory	(16,347)	-
Increase in receivables	(31,592)	-
Increase in accounts payable and other liabilities	126,671	1,500
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(290,365)	2,304
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(338,817)	-
Cash acquired in acquisition	-	-
NET CASH USED IN INVESTING ACTIVITIES	(338,817)	-
CASH FLOWS FROM FINANCING ACTIVITIES-		
Advances from affiliates, net	579,279	-
Increase in Due from Stockholder	(3,750)	-
NET CASH USED IN FINANCING ACTIVITIES	575,529	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(53,653)	2,304
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	77,216	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 23,563	$ 2,304
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 758	$ -

Income taxes paid	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Stock issued in acquisition of American Communications Enterprises:		
Accounts payable	$ -	$ -
Advances from stockholder subsequently converted to common stock	-	-
Total	$ -	$ -
Stockholder advances converted to common stock	$ 600,000	$ -
Equipment financed through payables	$ 79,850	$ -
Deferred compensation on grants of stock options	$ -	$ -

See notes to consolidated financial statements.

NeoGenomics, Inc.
(A Development Stage Enterprise)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE A - ORGANIZATION AND DESCRIPTION OF BUSINESS

NeoGenomics, Inc. ("NEO") was incorporated under the laws of the state of Florida on June 1, 2001 and on November 14, 2001, agreed to be acquired by American Communications Enterprises, Inc. ("ACE"). ACE was formed in 1998 and succeeded to NEO's name on January 14, 2002. As a result of this acquisition, the accompanying consolidated financial statements include the accounts of NEO and ACE (collectively referred to as "we", "us", "our"). All significant intercompany accounts and balances have been eliminated in consolidation.

For financial statement purposes, the acquisition has been treated as a reverse acquisition and a recapitalization with NEO being treated as the acquirer. In connection therewith, ACE issued 238,500,000 shares of its common stock to NEO's founder and sole stockholder in exchange for all of NEO's issued and outstanding common shares. The value of these shares, which was based on the number, and fair value of shares issued ($0.03 per share based on the price at which ACE's shares were trading at that time), has been included in stock based compensation and in the accompanying statement of operations. Immediately before the acquisition, ACE had 131,733,896 shares outstanding and liabilities in excess of assets of approximately $170,000. Since the transaction was accounted for as a purchase the deficiency of $170,000 was reflected as an adjustment to stockholders' equity as of the acquisition date.

As a result thereof, all references to the number of shares and par value in the accompanying financial statements and notes thereto have been adjusted to reflect the reverse acquisition, including the authorized number of shares of our common stock and its par value as though all such changes had been completed as of June 1, 2001.

We are considered to be a development stage (as defined in Financial Accounting Standards Board Statement No. 7) biotech company organized for the principal purpose of developing genomic tools for women's diseases, such as ovarian cancer, and the early diagnosis of neonatal illness. We have not yet commenced a significant level of operations, and most of our accounting policies and procedures have not yet been established.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The reported amounts of revenues and expenses during the reporting period may be affected by the estimates and assumptions we are required to make. Actual results could differ from our estimates.

Basis of Presentation

Our accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the instructions to Form 10-QSB and Rule 10-1 of Regulation S-X of the Securities and Exchange Commission (the "SEC"). Accordingly, these consolidated financial statements do not include all of the footnotes required by accounting principles generally accepted in the United States of America. In our opinion, all adjustments (consisting of normal and recurring adjustments) considered necessary for a fair presentation have

been included. Operating results for the nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ended December 31, 2002. The accompanying consolidated financial statements and the notes thereto should be read in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2001 contained in our Form 10-KSB.

NOTE B - GOING CONCERN

Our consolidated financial statements were prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. We have incurred significant losses since our inception, and have experienced, and continue to experience, negative operating margins and negative cash flows from operations. In addition, we expect to have ongoing requirements for substantial additional capital investment to implement our business plan. We expect to seek additional funding through the issuance of debt or equity securities. However, there can be no assurance that we will be successful in these efforts. These factors, among others, indicate that we may be unable to continue as a going concern.

Our financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should we be unable to continue as a going concern.

NOTE C - RELATED PARTY TRANSACTIONS

Advances and Loans

During the third quarter of 2002, we received net advances from Tampa Bay Financial, Inc. ("TBF"), one of our stockholders, of $225,600. These advances were made pursuant to an agreement to purchase our common shares. They are non-interest bearing, unsecured, and will be converted into shares of our common stock at $0.033 per share. During August 2002, we converted $300,000 in advances to 9,000,000 shares of our common stock. At September 30, 2002, we owed TBF approximately $5,000.

We occasionally borrow funds from the Naples Women's Center ("NWC"), a company owned by our president, to meet our short-term cash needs. These amounts have been advanced to us with a stated interest rate of 8% and are due upon demand. During the third quarter of 2002, we repaid approximately $1,500 of these advances. At September 30, 2002, we owed NWC approximately $77,000.

Consulting Agreement

During the period November 2001 through September 2002, TBF provided us with consulting services and paid certain of our expenses, including the salary of our chief financial officer and costs incurred in preparing required filings under securities laws. During the period November 2001 through September 2002, expenses related to this agreement were $75,000. During the third quarter of 2002, we repaid $60,000 to TBF through the issuance of our common stock.

NOTE D - COMMITMENT

During September 2002, we entered into a collaborative research effort with Ciphergen Biosystems. If a patented product or service results from this research, the patenting party will be obligated to pay a 4% royalty to the other party. As part of agreement, we have agreed to purchase supplies and equipment approximating $128,000 over the next eight months. They have committed to award us with a $100,000 research grant, which was received in October 2002.

Item 2. - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements for the three and nine months ended September 30, 2002, and the period June 1, 2001 (date of incorporation) to September 30, 2002, included with this Form 10-QSB.

Information related to our predecessor entity, American Communications Enterprises, Inc. ("ACE"), has been omitted. ACE was formed in 1998 for the purpose of operating radio stations and businesses within the communications industry. ACE later changed its focus to genomics, which included acquiring a private company desiring to become public. In November 2001, ACE and NeoGenomics, Inc., a Florida Corporation ("NeoGenomics") entered into a Plan of Exchange pursuant to which ACE acquired NeoGenomics. For financial statement purposes, the merger has been treated as a reverse acquisition with NeoGenomics being treated as the acquirer.

Readers are referred to the cautionary statement, which addresses forward-looking statements made by us.

NeoGenomics, Inc. is considered to be in the development stage as defined in Financial Accounting Standards Board Statement No. 7. It is currently in the process of developing genomic tools for women's diseases.

Critical Accounting Policies

Our critical accounting policies, including the assumptions and judgments underlying them, are disclosed in the Notes to the Financial Statements for the fiscal year ended December 31, 2001 included in our Form 10-KSB. We have consistently applied these policies in all material respects. At this stage of our development, these policies primarily address matters of expense recognition. Although we anticipate that revenue recognition issues will become critical in future years, the small amount of revenue that we have earned at this stage minimizes the impact of any judgments regarding revenue recognition. Management does not believe that our operations to date have involved uncertainty of accounting treatment, subjective judgment, or estimates, to any significant degree.

Results of Operations for the three months ended September 30, 2002

We commenced operations on June 1, 2001. As a result we have not yet generated any significant revenues.

During the three months ended September 30, 2002, we generated revenues and costs of revenues of approximately $28,000 and $61,000 and we incurred a net loss of approximately $732,200, which includes non-cash stock based compensation expense of approximately $492,000. These expenses consist of the amortization of deferred stock options, which were issued in November 2001 and other stock based compensation and consulting. We believe our gross margin will improve if we add additional business. Our general and administrative expenses were approximately $191,000 and are mainly comprised of administrative services expenses, wages and depreciation. Interest expenses were approximately $900 and are mainly comprised of interest payable on advances from a related party.

Having completed our first full quarter of laboratory operations, testing revenues have begun to show increases in the third quarter. We billed $27,869 for 83 tests in the quarter ended September 30, 2002, including 28 tests for were cystic fibrosis, that are currently being subcontracted to other laboratories, which are included as service charges to the patients.

Revenues per test are a function of both the nature of the test and who the payer (Medicare, Medicaid, third party insurer, etc.). Our policy is to record amounts billed at the amounts we expect to be collected based on published or contracted amounts and prior experience with the payer.

We have established a reserve for uncollectible amounts based on estimates of what we will collect from co-payments and those procedures performed that are not covered by insurance.

Results of Operations for the nine months ended September 30, 2002

During the nine months ended September 30, 2002, we generated revenues and costs of revenues of approximately $36,300 and $136,800, and we incurred a net loss of approximately $2,053,000 which includes non-cash stock based compensation expense of approximately $1,536,000. These expenses consist of the amortization of deferred stock options, which were issued in November 2001, and other stock based compensation and consulting. Our negative gross margin reflects costs incurred to obtain certification and is expected to improve as our sales increase. Our general and administrative expenses were approximately $378,300 and are mainly comprised of administrative services expenses, wages and depreciation. Interest expenses were approximately $4,600 and are mainly comprised of interest payable on advances from a related party.

Results of Operations for the period from June 1, 2001 to September 30, 2002

During the period from June 1, 2001 to September 30, 2002, we generated revenues and costs of revenues of approximately $37,300 and $137,000, and we incurred a net loss of approximately $10,135,000. Our net loss included non-cash stock based compensation expense of approximately $9,466,000. This expense consisted of the amortization of deferred stock options, which were issued in November 2001 and other stock based compensation and consulting. Our general and administrative expenses were approximately $530,000. They were mainly comprised of administrative service expenses, wages and depreciation. Interest expense was approximately $4,600, and was primarily comprised of interest payable on advances from a related party.

Future Periods

Management expects that research expenses will increase substantially in 2002 and in future years, as we expand our research and development activities. We also expect that our other operating expenses will grow over time in connection with the expansion of our laboratory facility.

Liquidity and Capital Resources

During the nine months ended September 30, 2002, our operating activities used approximately $290,000 in cash. This amount primarily represented cash used to pay general and administrative expenses associated with our operations. We spent approximately $339,000 on new equipment. We were able to finance operations primarily through net advances of approximately $579,000 received from a significant shareholder and other affiliates. At September 30, 2002, we had cash and cash equivalents of approximately $23,500.

At the present time, we have very limited cash resources. We do not anticipate that we will generate significant cash flow from operating activities until 2003. As a result, we anticipate that we will require at least $300,000 in additional working capital financing during the next 12 months in order to meet our working capital requirements during this period. We currently plan to finance our operations through the acquisition of borrowings and the sale of shares of our common stock to Tampa Bay Financial, Inc. and other investors.

In May 2002, Tampa Bay Financial, Inc. agreed to purchase 45,000,000 shares of our common stock for a price of $0.0333 per share, or a total of $1,500,000. As of the date of this report, TBF has provided $700,000 under this agreement. In November 2002, a dispute arose between the Company and TBF with respect to the parties' obligations to each other. As a result of this dispute, TBF informed the Company that they would not make any further payments under the May 2002 agreement until the dispute is resolved. Since that time, the Company and TBF have been engaged in negotiations regarding the resolution of this dispute. In the event that the Company and TBF are unable to reach agreement, the Company will seek funding from other sources.

There can be no assurance that the Company will obtain further funding from TBF or another source. If the Company is unable to obtain funding, the Company will be required to curtail or discontinue operations.

Capital Expenditures

Management is currently researching a possible capital asset purchase that would take place before year-end. This expenditure would be approximately $150,000 and would be based on current market conditions and the overall impact the equipment would have on operations. We plan to fund these expenditures through the sale of shares to third parties.

Staffing

If we receive sufficient funding, we plan to increase our workforce. Currently, we have seven full-time employees. We hired a laboratory technician and plan to add an additional laboratory technician to assist us in operations. Management has added three employees during 2002. We expect the cost of these additional employees will be between $100,000 and $150,000 over the next 12 months.

Research Plans

The Company is in the initial stages of a project to identify a bio-marker for pre-eclampsia, a disease which kills 60,000 pregnant women each year. In connection with this project, the Company has purchased $180,000 of equipment and committed to purchasing labor, supplies and equipment approximating $128,000 over the next eight months. The Company has obtained a $100,000 research grant commitment to offset these costs. The research grant was received in October 2002.

CAUTIONARY STATEMENT

This Form 10-QSB, press releases and certain information provided periodically in writing or orally by our officers or our agents contain statements which constitute forward-looking statements within the meaning of Section 27A of the Securities Act, as amended and Section 21E of the Securities Exchange Act of 1934. The words expect, anticipate, believe, goal, plan, intend, estimate and similar expressions and variations thereof if used are intended to specifically identify forward-looking statements. Those statements appear in a number of places in this Form 10-QSB and in other places, particularly, Management's Discussion and Analysis or Results of Operations, and include statements regarding the intent, belief or current expectations us, our directors or our officers with respect to, among other things: (i) our liquidity and capital resources; (ii) our financing opportunities and plans and (iii) our future performance and operating results. Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. The factors that might cause such differences include, among others, the following: (i) any material inability of us to successfully internally develop our products; (ii) any adverse effect or limitations caused by Governmental regulations; (iii) any adverse effect on our positive cash flow and abilities to obtain acceptable financing in connection with our growth plans; (iv) any increased competition in business; (v) any inability of us to successfully conduct our business in new markets; and (vi) other risks including those identified in our filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise the forward looking statements made in this Form 10-QSB to reflect events or circumstances after the date of this Form 10-QSB or to reflect the occurrence of unanticipated events.

11

Item 3 - CONTROLS AND PROCEDURES

Within 90 days prior to the date of filing of this report, we carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective for the gathering, analyzing and disclosing the information we are required to disclose in the reports we file under the Securities Exchange Act of 1934, within the time periods specified in the SEC's rules and forms. There have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the date of this evaluation.

12

PART II. - OTHER INFORMATION

Item 1. Legal Proceedings

NONE

Item 2. Changes in Securities

In the third quarter of 2002, we issued the following: 17,677,012 shares of common stock in exchange for employment and consulting services valued at $176,769, and 9,000,000 shares of common stock in exchange for the cancellation of $300,000 in cash advances. All of the stock was issued to a small group of sophisticated investors in a transaction that the Company believes was exempt from registration under Rule 506 promulgated under the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities

NONE

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

NONE

Item 5. Other Information

NONE

Item 6. Exhibits and Reports on Form 8-K

10.8	Research and License Agreement Between Neogenomics, Inc. and Ciphergen Biosystems, I
99.1	Certification pursuant to section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NeoGenomics, Inc.

By:/s/Michael T. Dent, M.D. November 19, 2002
Michael T. Dent, M.D.
(President and Chief Executive Officer)

By:/s/Matthew A. Veal November 19, 2002
Matthew A. Veal
(Chief Financial Officer)

CERTIFICATION

I, Michael T. Dent, M.D., certify that:

1. I, and the registrant's other certifying officer have reviewed this quarterly report on Form 10QSB of Neogenomics, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such

statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial position, results of operations, and cash flows of the issuer as of, and for, the periods presented in this quarterly report.

4. I, and the registrant's other certifying officer, are responsible for establishing and maintaining disclosure controls and procedures for the issuer and we have:

   (i) designed such disclosure controls and procedures to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (ii) evaluated the effectiveness of the issuer's disclosure controls and procedures as of September 30, 2002; and

   (iii) presented in the report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. I, and the registrant's other certifying officer, have disclosed, based on my most recent evaluation, to the issuer's auditors and the audit committee of the board of directors (or persons fulfilling the equivalent function):

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the issuer's ability to record, process, summarize and report financial data and have identified for the issuer's auditors any material weaknesses in internal controls; and

(ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal controls; and

6. I, and the registrant's other certifying officer, have indicated in the report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

November 19, 2002

/s/ Michael T. Dent, M.D.
Michael T. Dent, M.D.
President and CEO

CERTIFICATION

I, Matthew A. Veal, certify that:

1. I, and the registrant's other certifying officer have reviewed this quarterly report on Form 10QSB of Neogenomics, Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such

statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial position, results of operations, and cash flows of the issuer as of, and for, the periods presented in this quarterly report.

4. I, and the registrant's other certifying officer, are responsible for establishing and maintaining disclosure controls and procedures for the issuer and we have:

(i) designed such disclosure controls and procedures to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(ii) evaluated the effectiveness of the issuer's disclosure controls and procedures as of September 30, 2002; and

(iii) presented in the report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. I, and the registrant's other certifying officer, have disclosed, based on my most recent evaluation, to the issuer's auditors and the audit committee of the board of directors (or persons fulfilling the equivalent function):

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the issuer's ability to record, process, summarize and report financial data and have identified for the issuer's auditors any material weaknesses in internal controls; and

(ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal controls; and

6. I, and the registrant's other certifying officer, have indicated in the report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

November 19, 2002

/s/ Matthew A. Veal
Matthew A. Veal
CFO