PJC Hermitage Realty LLC
Form S-4
September 28, 2007

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As Filed with the Securities and Exchange Commission on September 28, 2007.

Registration Statement No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

RITE AID CORPORATION

*And the Subsidiary Guarantors listed below
(Exact name of registrant as specified in its charter)

Delaware	**5912**	**23-1614034**
(*State or other jurisdiction of incorporation or organization*)	(*Primary Standard Industrial Classification Code Number*)	(*I.R.S. Employer Identification No.*)

30 Hunter Lane
Camp Hill, Pennsylvania 17011
(717) 761-2633
(*Address, including zip code, and telephone number, including area code, of registrant's principal executive offices*)

Robert B. Sari, Esq.
Executive Vice President, General Counsel and Secretary
Rite Aid Corporation
30 Hunter Lane
Camp Hill, Pennsylvania 17011
(717) 761-2633
(717) 760-7867 (facsimile)
(*Name, address, including zip code, and telephone number, including area code, of agent for service*)

Copies of all communications to:

Stacy J. Kanter, Esq.
Michael J. Zeidel, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
(212) 735-3000
(212) 735-2000 (facsimile)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
9.375% Senior Notes due 2015	$410,000,000	100%	$410,000,000	$12,587
Guarantees related to the 9.375% Senior Notes due 2015	N/A	N/A	N/A	N/A(2)

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(f) promulgated under the Securities Act of 1933, as amended.

(2) No separate consideration is received for the guarantees, and, therefore, no additional fee is required.

The Registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a) may determine.

TABLE OF ADDITIONAL REGISTRANTS

Name of Additional Registrant*	State or Other Jurisdiction of Incorporation or Formation	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
112 Burleigh Avenue Norfolk, LLC	Virginia	5912	N/A
1515 West State Street Boise, Idaho, LLC	Delaware	5912	N/A
1740 Associates, LLC	Michigan	5912	N/A
3581 Carter Hill Road Montgomery Corp.	Alabama	5912	80-0052336
4042 Warrensville Center Road Warrensville Ohio, Inc.	Ohio	5912	25-1820507
5277 Associates, Inc.	Washington	5912	23-2940919
537 Elm Street Corporation	Rhode Island	5912	23-2962033
5600 Superior Properties, Inc.	Ohio	5912	80-0052337
657-659 Broad St. Corp.	New Jersey	5912	80-0052338
764 South Broadway Geneva, Ohio, LLC	Ohio	5912	23-1974076
Ann & Government Streets Mobile, Alabama, LLC	Delaware	5912	N/A
Apex Drug Stores, Inc.	Michigan	5912	38-2413448
Broadview and Wallings Broadview Heights Ohio, Inc.	Ohio	5912	25-1814215
Brooks Pharmacy, Inc.	Delaware	6719	05-0620980
Central Avenue & Main Street Petal-MS, LLC	Delaware	5912	N/A
Eagle Managed Care Corp.	Delaware	9999	25-1724201
Eckerd Corporation	Delaware	5912	51-0378122
Eckerd Fleet, Inc.	Florida	4789	59-1935574
EDC Drug Stores, Inc.	North Carolina	5912	56-0596933
EDC Licensing, Inc.	Delaware	6719	75-2833647
Eighth and Water Streets Urichsville, Ohio, LLC	Delaware	5912	N/A
England Street Asheland Corporation	Virginia	5912	80-0052343
Fairground, LLC	Virginia	5912	54-1849788
GDF, Inc.	Maryland	5912	34-1343867
Genovese Drug Stores, Inc.	Delaware	5912	11-1556812
Gettysburg and Hoover Dayton, Ohio, LLC	Ohio	5912	N/A
Harco, Inc.	Alabama	5912	63-0522700
JCG (PJC) USA, LLC	Delaware	6719	N/A
JCG Holdings (USA), Inc.	Delaware	6719	20-1147565
K&B Alabama Corporation	Alabama	5912	72-1011085
K&B Louisiana Corporation	Louisiana	5912	72-1043860
K&B Mississippi Corporation	Mississippi	5912	72-0983482
K&B Services, Incorporated	Louisiana	9995	72-1245171
K&B Tennessee Corporation	Tennessee	9999	62-1444359
K&B Texas Corporation	Texas	5912	72-1010327
K&B, Incorporated	Delaware	6719	51-0346254
Keystone Centers, Inc.	Pennsylvania	5912	23-1730114
Lakehurst and Broadway Corporation	New Jersey	5912	23-2937947
Maxi Drug North, Inc.	Delaware	5912	05-0520884
Maxi Drug South, L.P.	Delaware	5912	05-0520885
Maxi Drug, Inc.	Delaware	5912	04-2960944
Maxi Green, Inc.	Vermont	5912	45-0515111
Mayfield & Chillicothe Roads Chesterland, LLC	Ohio	5912	N/A
MC Woonsocket, Inc.	Rhode Island	6519	05-0490941
Munson & Andrews, LLC	Delaware	5912	N/A
Name Rite, LLC	Delaware	6719	N/A

Northline & Dix Toledo Southgate, LLC	Michigan	5912	N/A
P.J.C. Distribution, Inc.	Delaware	4225	22-3252604
P.J.C. of West Warwick, Inc.	Rhode Island	6519	01-0573850
P.J.C. Realty Co., Inc.	Delaware	6519	04-2967938
Patton Drive and Navy Boulevard Property Corporation	Florida	5912	23-2870495
Paw Paw Lake Road & Paw Paw Avenue-Coloma, Michigan, LLC	Delaware	5912	N/A
PDS-1 Michigan, Inc.	Michigan	5912	38-2935739
Perry Distributors, Inc.	Michigan	4225	38-1718545
Perry Drug Stores, Inc.	Michigan	5912	38-0947300
PJC Dorchester Realty LLC	Delaware	6519	01-0573791
PJC East Lyme Realty LLC	Delaware	6519	20-4851871
PJC Essex Realty LLC	Delaware	6519	20-1151746
PJC Haverhill Realty LLC	Delaware	6519	01-0573831
PJC Hermitage Realty LLC	Delaware	6519	51-0568284
PJC Hyde Park Realty LLC	Delaware	6519	01-0573796
PJC Lease Holdings, Inc.	Delaware	6519	01-0573835
PJC Manchester Realty LLC	Delaware	6519	01-0573821
PJC Mansfield Realty LLC	Delaware	6519	01-0573814
PJC New London Realty LLC	Delaware	6519	20-1151630
PJC Norwich Realty LLC	Delaware	6519	20-1151724
PJC of Cranston, Inc.	Rhode Island	6519	05-0481150
PJC of East Providence, Inc.	Rhode Island	6519	05-0481152
PJC of Massachusetts, Inc.	Massachusetts	6519	05-0481151
PJC of Rhode Island, Inc.	Rhode Island	6519	23-1979613
PJC of Vermont, Inc.	Vermont	6519	05-0498065
PJC Peterborough Realty II LLC	Delaware	6519	20-3468703
PJC Peterborough Realty LLC	Delaware	6519	20-1151661
PJC Providence Realty LLC	Delaware	6519	05-0541664
PJC Realty MA, Inc.	Massachusetts	6519	02-0692817
PJC Realty N.E. LLC	Delaware	5912	01-0573780
PJC Revere Realty LLC	Delaware	6519	01-0573818
PJC Special Realty Holdings, Inc.	Delaware	6519	01-0573843
Ram Utica, Inc.	Michigan	5412	80-0052329
RDS Detroit, Inc.	Michigan	5912	35-1799950
READ's Inc.	Maryland	7389	80-0052330
Rite Aid Drug Palace, Inc.	Delaware	5912	23-2325476
Rite Aid Hdqtrs. Corp.	Delaware	6719	23-2308342
Rite Aid Hdqtrs. Funding, Inc.	Delaware	6719	75-3167335
Rite Aid of Alabama, Inc.	Alabama	5912	23-2410761
Rite Aid of Connecticut, Inc.	Connecticut	5912	23-1940645
Rite Aid of Delaware, Inc.	Delaware	5912	23-1940646
Rite Aid of Florida, Inc.	Florida	5912	23-2047226
Rite Aid of Georgia, Inc.	Georgia	5912	23-2125551
Rite Aid of Illinois, Inc.	Illinois	5912	23-2416666
Rite Aid of Indiana, Inc.	Indiana	5912	23-2048778
Rite Aid of Kentucky, Inc.	Kentucky	5912	23-2039291
Rite Aid of Maine, Inc.	Maine	5912	01-0324725
Rite Aid of Maryland, Inc.	Maryland	5912	23-1940941

Rite Aid of Massachusetts, Inc.	Massachusetts	5912	23-1940647
Rite Aid of Michigan, Inc.	Michigan	5912	38-0857390
Rite Aid of New Hampshire, Inc.	New Hampshire	5912	23-2008320
Rite Aid of New Jersey, Inc.	New Jersey	5912	23-1940648
Rite Aid of New York, Inc.	New York	5912	23-1940649
Rite Aid of North Carolina, Inc.	North Carolina	5912	23-1940650
Rite Aid of Ohio, Inc.	Ohio	5912	23-1940651
Rite Aid of Pennsylvania, Inc.	Pennsylvania	5912	23-1940652
Rite Aid of South Carolina, Inc.	South Carolina	5912	23-2047222
Rite Aid of Tennessee, Inc.	Tennessee	5912	23-2047224
Rite Aid of Vermont, Inc.	Vermont	5912	23-1940942
Rite Aid of Virginia, Inc.	Virginia	5912	23-1940653
Rite Aid of Washington, D.C., Inc.	Washington DC	5912	23-2461466
Rite Aid of West Virginia, Inc.	West Virginia	5912	23-1940654
Rite Aid Realty Corp.	Delaware	6519	23-1725347
Rite Aid Rome Distribution Center, Inc.	New York	4225	23-1887836
Rite Aid Services, LLC	Delaware	7363	02-0655440
Rite Aid Transport, Inc.	Delaware	4789	25-1793102
Rite Fund, Inc.	Delaware	6719	51-0273194
Rite Investments Corp.	Delaware	6719	51-0273192
Rx Choice, Inc.	Delaware	7359	25-1598207
Seven Mile and Evergreen Detroit, LLC	Michigan	5912	N/A
Silver Springs Road Baltimore, Maryland/One, LLC	Delaware	5912	N/A
Silver Springs Road Baltimore, Maryland/Two, LLC	Delaware	5912	N/A
State & Fortification Streets Jackson, Mississippi, LLC	Delaware	5912	N/A
State Street and Hill Road Gerard, Ohio, LLC	Delaware	5912	N/A
The Jean Coutu Group (PJC) USA, Inc.	Delaware	6719	04-2925810
The Lane Drug Company	Ohio	5912	53-0125212
Thrift Drug Services, Inc.	Delaware	5912	74-2605432
Thrift Drug, Inc.	Delaware	9999	22-2098063
Thrifty Corporation	California	5912	95-1297550
Thrifty PayLess, Inc.	California	5912	95-4391249
Tyler and Sanders Roads Birmingham, Alabama, LLC	Delaware	5912	N/A

*

Addresses and telephone numbers of principal executive offices are the same as those of Rite Aid Corporation.

Subject to Completion, Dated September 28, 2007

PROSPECTUS

RITE AID CORPORATION

Offer to exchange $410.0 million aggregate principal amount of 9.375% Senior Notes Due 2015 (which we refer to as the old notes) for $410.0 million aggregate principal amount of 9.375% Senior Notes Due 2015 (which we refer to as the new notes) which have been registered under the Securities Act of 1933, as amended, and fully and unconditionally guaranteed by the subsidiary guarantors listed on the first page of this prospectus.

The exchange offer will expire at 5:00 p.m., New York City time, on , 2007 (the 21st business day following the date of this prospectus), unless we extend the exchange offer in our sole and absolute discretion.

Terms of the exchange offer:

- We will exchange new notes for all outstanding old notes that are validly tendered and not withdrawn prior to the expiration or termination of the exchange offer.

- You may withdraw tenders of old notes at any time prior to the expiration or termination of the exchange offer.

- The terms of the new notes are substantially identical to those of the outstanding old notes, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes.

- The exchange of old notes for new notes will not be a taxable transaction for U.S. federal income tax purposes, but you should see the discussion under the caption "Material Federal Income Tax Considerations" for more information.

- We will not receive any proceeds from the exchange offer.

- We issued the old notes in a transaction not requiring registration under the Securities Act, and as a result, their transfer is restricted. We are making the exchange offer to satisfy your registration rights, as a holder of the old notes.

There is no established trading market for the new notes or the old notes.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date (as defined herein) and ending on the close of business 210 days after the expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

See "Risk Factors" beginning on page 14 for a discussion of risks you should consider prior to tendering your outstanding old notes for exchange.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2007.

TABLE OF CONTENTS

References to "Rite Aid," the "Company," "we," "our" and "us" and similar terms mean Rite Aid Corporation and its subsidiaries, unless the context otherwise requires.

References to the "acquisition" mean the transaction with The Jean Coutu Group (PJC) Inc. completed June 4, 2007, by which Rite Aid acquired all the ownership interests in Jean Coutu USA for cash and stock consideration. References to "Jean Coutu Group" mean The Jean Coutu Group (PJC) Inc. and its subsidiaries, and references to "Jean Coutu USA" mean JCG (PJC) USA, LLC and its subsidiaries, unless the context otherwise requires. References to "Brooks Eckerd," the "Brooks Eckerd stores" and the "Brooks and Eckerd drugstore chains" mean the stores and distribution centers acquired by Rite Aid from Jean Coutu Group as part of the acquisition, unless the context otherwise requires. References to "JC Group USA" mean The Jean Coutu Group (PJC) USA, Inc., which was a wholly owned subsidiary of the Jean Coutu Group and the holding company for all the Brooks and Eckerd drugstore chain activities acquired by Rite Aid. Immediately prior to the completion of the Acquisition, Jean Coutu USA, a wholly owned subsidiary of the Jean Coutu Group with no independent operations or assets, assumed a 100% ownership interest in JC Group USA. Jean Coutu USA had no assets or operations during the historical periods presented herein; therefore financial information for this entity is not included in this prospectus. We use the terms "Brooks Eckerd" and "Brooks and Eckerd" interchangeably with "Jean Coutu USA".

This prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this document. Copies of this information are available without charge to any person to whom this prospectus is delivered, upon written or oral request. Written requests should be sent to:

Rite Aid Corporation
30 Hunter Lane
Camp Hill, Pennsylvania 17011
Attention: Investor Relations

Oral requests should be made by telephoning (717) 761-2633.

In order to obtain timely delivery, you must request the information no later than , 2007, which is five business days before the expiration date of the exchange offer.

Subsidiary Guarantors

112 Burleigh Avenue Norfolk, LLC
1515 West State Street Boise, Idaho, LLC
1740 Associates, LLC
3581 Carter Hill Road Montgomery Corp.
4042 Warrensville Center Road Warrensville Ohio, Inc.
5277 Associates, Inc.
537 Elm Street Corporation
5600 Superior Properties, Inc.
657-659 Broad St. Corp.
764 South Broadway Geneva, Ohio, LLC
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PJC Haverhill Realty LLC
PJC Hermitage Realty LLC
PJC Hyde Park Realty LLC
PJC Lease Holdings, Inc.
PJC Manchester Realty LLC
PJC Mansfield Realty LLC
PJC New London Realty LLC
PJC Norwich Realty LLC
PJC of Cranston, Inc.
PJC of East Providence, Inc.
PJC of Massachusetts, Inc.
PJC of Rhode Island, Inc.
PJC of Vermont, Inc.
PJC Peterborough Realty II LLC
PJC Peterborough Realty LLC
PJC Providence Realty LLC
PJC Realty MA, Inc.
PJC Realty N.E. LLC
PJC Revere Realty LLC
PJC Special Realty Holdings, Inc.
Ram Utica, Inc.
RDS Detroit, Inc.
READ's Inc.
Rite Aid Drug Palace, Inc.
Rite Aid Hdqtrs. Corp.
Rite Aid Hdqtrs. Funding, Inc.
Rite Aid of Alabama, Inc.
Rite Aid of Connecticut, Inc.
Rite Aid of Delaware, Inc.
Rite Aid of Florida, Inc.
Rite Aid of Georgia, Inc.
Rite Aid of Illinois, Inc.
Rite Aid of Indiana, Inc.
Rite Aid of Kentucky, Inc.
Rite Aid of Maine, Inc.
Rite Aid of Maryland, Inc.
Rite Aid of Massachusetts, Inc.
Rite Aid of Michigan, Inc.
Rite Aid of New Jersey, Inc.
Rite Aid of New York, Inc.
Rite Aid of North Carolina, Inc.
Rite Aid of Ohio, Inc.
Rite Aid of Pennsylvania, Inc.
Rite Aid of South Carolina, Inc.
Rite Aid of Tennessee, Inc.
Rite Aid of Vermont, Inc.
Rite Aid of Virginia, Inc.
Rite Aid of Washington, D.C., Inc.
Rite Aid of West Virginia, Inc.
Rite Aid Realty Corp.
Rite Aid Rome Distribution Center, Inc.
Rite Aid Services, LLC
Rite Aid Transport, Inc.
Rite Fund, Inc.
Rite Investments Corp.
Rx Choice, Inc.
Seven Mile and Evergreen Detroit, LLC
Silver Springs Road Baltimore, Maryland/One, LLC
Silver Springs Road Baltimore, Maryland/Two, LLC
State & Fortification Streets Jackson, Mississippi, LLC
State Street and Hill Road Gerard, Ohio, LLC
The Jean Coutu Group (PJC) USA, Inc.
The Lane Drug Company
Thrift Drug Services, Inc.
Thrift Drug, Inc.
Thrifty Corporation
Thrifty PayLess, Inc.
Tyler and Sanders Roads Birmingham, Alabama, LLC

Rite Aid of New Hampshire, Inc.

Cautionary Note Regarding Forward Looking Statements

This prospectus, and the documents incorporated by reference herein, include forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements are identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will" and similar expressions and include references to assumptions and relate to our future prospects, developments and business strategies.

Factors that could cause actual results to differ materially from those expressed or implied in such forward looking statements include, but are not limited to:

- our high level of indebtedness;
- our ability to make interest and principal payments on our debt and satisfy the other covenants contained in our existing senior secured credit facility and other debt agreements, including the indentures governing the new notes;
- our ability to improve the operating performance of our existing stores in accordance with our long term strategy;
- our ability to realize the benefits of the acquisition of Jean Coutu USA;
- our ability to hire and retain pharmacists and other store personnel;
- our ability to open or relocate stores according to our real estate development program;
- the efforts of private and public third party payors to reduce prescription drug reimbursement and encourage mail order;
- competitive pricing pressures and continued consolidation of the drugstore industry;
- changes in state or federal legislation or regulations;
- the outcome of lawsuits and governmental investigations;
- general economic conditions and inflation, interest rate movements and access to capital; and
- other risks and uncertainties described from time to time in our filings with the SEC.

We undertake no obligation to update or revise the forward looking statements included or incorporated by reference in this prospectus, whether as a result of new information, future events or otherwise, after the date of this prospectus. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward looking statements. Factors that could cause or contribute to such differences are discussed in the sections entitled "Risk Factors" included in this prospectus and in our Annual Report on Form 10-K for the fiscal year ended March 3, 2007, which we filed with the SEC on April 30, 2007.

SUMMARY

The following information summarizes the detailed information and financial statements included elsewhere or incorporated by reference in this prospectus. We encourage you to read this entire prospectus carefully. Unless otherwise indicated, references to fiscal year refer to the fiscal year of Rite Aid, which ends on the Saturday closest to February 29 or March 1 of that year. The fiscal year ended March 4, 2006 included 53 weeks. The fiscal years ended March 3, 2007, February 26, 2005, February 28, 2004 and March 1, 2003 included 52 weeks. Prior to the 2007 fiscal year, Jean Coutu USA's fiscal years ended on the last Saturday in May of each year. The fiscal years ended May 27, 2006, May 28, 2005, and May 29, 2004 included 52 weeks. The fiscal years ended June 2, 2007 and May 31, 2003 included 53 weeks. For an explanation of Rite Aid's fiscal year ended March 3, 2007 on a pro forma basis for the acquisition, see "Unaudited Pro Forma Combined Financial Statements," incorporated herein by reference.

Our Business

We are the third largest retail drugstore chain in the United States based on revenues and number of stores. We operate our drugstores in 31 states across the country and in the District of Columbia. As of March 3, 2007, we operated 3,333 stores and, as a result of our acquisition of Jean Coutu USA with its Brooks and Eckerd drugstores, the combined company operated over 5,000 stores nationally as of June 30, 2007, making us the largest drug store retail chain in the eastern United States. We expect to obtain leading positions in various major metropolitan markets, including New York City, Washington DC, Philadelphia, Boston and Atlanta as a result of the acquisition. We expect to realize significant cost savings as we integrate and re-brand to the Rite Aid banner all of the Brooks Eckerd stores that we acquired pursuant in the acquisition. During fiscal 2007, we generated $17,507.7 million in revenue, and, after giving pro forma effect to the acquisition, pro forma revenues would have been $27,315.6 million.

In our stores, we sell prescription drugs and a wide assortment of other merchandise, which we call "front-end" products. In fiscal 2007, prescription drug sales accounted for 63.7% of our total sales and approximately 67% of our total sales giving pro forma effect to the acquisition. We believe that our pharmacy operations, which are strengthened by our acquisition of the Brooks Eckerd stores, will continue to represent a significant part of our business due to favorable industry trends, including an aging population, increased life expectancy, the federally funded prescription drug benefit program that began in January 2006 ("Medicare Part D"), the discovery of new and better drug therapies and our on-going program of purchasing prescription files from independent pharmacies. We currently offer approximately 26,000 front-end products, which in fiscal 2007 accounted for the remaining 36.3% of our total sales. Front-end sales would have accounted for approximately 33% of our total sales in fiscal 2007 giving pro forma effect to the acquisition. Front-end products include over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, beverages, convenience foods, greeting cards, seasonal merchandise and numerous other everyday and convenience products, as well as photo processing. We attempt to distinguish our stores from other national chain drugstores, in part, through our private brands and our strategic alliance with GNC, a leading retailer of vitamin and mineral supplements. We currently offer approximately 2,500 products under the Rite Aid private brand, which contributed approximately 12.6% of our front-end sales in the categories where private brand products were offered in fiscal 2007.

The overall average size of each store in our chain is approximately 12,300 square feet. The average size of our stores is larger in the western United States. As of March 3, 2007, approximately 56% of our stores were freestanding; approximately 43% of our stores included a drive-thru pharmacy; approximately 67% included one-hour photo shops; and approximately 38% included a GNC store-within-Rite Aid-store. In addition, we intend to incorporate the GNC store-within-Rite Aid-store concept into certain of the Brooks Eckerd stores we acquired, where appropriate.

Acquisition of Jean Coutu USA

On June 4, 2007, we completed the acquisition from Jean Coutu Group of all of the ownership interests of Jean Coutu USA, a wholly owned subsidiary of Jean Coutu Group and the holding company for the Brooks and Eckerd drugstore chains. As a result of the acquisition, Jean Coutu Group is now our largest stockholder, owning approximately 32.0% of our common stock, which represents approximately 30.2% of the voting power of our voting securities outstanding. As consideration for the acquisition of Jean Coutu USA, we issued 250 million shares of our common stock to Jean Coutu Group in accordance with the terms of the stock purchase agreement and paid Jean Coutu Group approximately $2.36 billion in cash. Included in the cash payment is preliminary working capital adjustment of $58.3 million, which is based on the preliminary working capital (as defined in the acquisition agreement) of Jean Coutu USA as of the closing date of the acquisition.

In connection with obtaining approval of the acquisition from the Department of Justice (the "DOJ") and the Federal Trade Commission (the "FTC"), we agreed with the FTC staff to divest 23 stores and with the Offices of the Attorney General of several states to divest an additional 3 stores in overlapping geographic areas as a condition of approval of the acquisition under antitrust laws. The stores that have been or are expected to be sold accounted for approximately $100 million in sales and $9 million in operating results during fiscal 2007. In addition, in connection with our plan to integrate the Brooks Eckerd stores with our existing stores, we expect to close additional Brooks Eckerd stores and Rite Aid stores, with the goal of maximizing efficiency in markets where we will, on a combined company basis, have multiple stores in close proximity. Because the majority of store divestitures required by the FTC or other governmental authorities and the closures that we choose to make will be in markets where we already had a presence, it is unclear what the impact of such closures will be on our overall sales and operating results. Therefore, pro forma information incorporated by reference into this document, including the number of stores as well as revenue and income figures, does not account for these dispositions.

Strategic Rationale

We believe that our acquisition of the Brooks Eckerd stores provides several strategic benefits, including the following:

- a significant increase in the footprint and operating scale of our business, with increased presence in key strategic markets;
- the creation of the leading drugstore retailer in the eastern United States, which we believe will allow us to achieve the scale necessary to remain competitive with our major competitors;
- long-term value creation through net reductions in costs and expenses, achievement of meaningful synergies, including additional operational efficiencies, greater economies of scale and revenue enhancements resulting in higher operating cash flow and a decrease in our leverage ratio;
- better positioning to capture additional growth in a sector where growth is projected over the next five years; and
- an opportunity to apply our scaleable infrastructure, including our programs, best practices and management capabilities, across a larger store network, which we believe will improve profitability through cost savings and sales growth.

Our Strategy

Our strategy is to continue to focus on improving the productivity of our existing stores and developing new and relocated stores in our strongest existing markets as well as integrating the Brooks

Eckerd stores under the Rite Aid banner. We believe that improving the sales of existing stores and growing our existing markets is critical to improving our profitability and cash flow. We believe the acquisition will broaden and accelerate the implementation of our strategy.

The following paragraphs describe in more detail the components of our strategy:

Integrate Brooks Eckerd Stores Under Rite Aid Banner and Develop Stores in Existing Markets. We intend to convert all Brooks Eckerd stores to the Rite Aid systems and banner within the first 16 months following the acquisition. We have assigned senior managers focused exclusively on and fully dedicated to ensuring the successful integration of Brooks Eckerd, with oversight by our senior executives including our Chief Executive Officer and Chief Operating Officer. Initially, as part of the integration and conversion process, the banners and signs of the Brooks Eckerd stores will be changed to Rite Aid and all Brooks Eckerd systems will be converted to the Rite Aid store systems, including our pharmacy management and dispensing system, Nexgen. Following the store system conversion, the stores will be re-set, re-merchandised and upgraded to the Rite Aid décor package. To ensure successful integration and conversion with minimal disruption to our customers, we have completed a pilot store conversion program to test our integration and conversion process. We are currently in the process of converting all of the remaining Brooks Eckerd stores over a 12 month period. We also expect to continue our new and relocated store and store remodeling program and intend to incorporate the Brooks Eckerd stores into the program. We expect that some of the Brooks and Eckerd stores will also be remodeled within the first 12 months following the completion of the acquisition and that almost all Brooks Eckerd stores will be remodeled over the next several years. As part of the new and relocated store and store remodeling program, some of the Brooks Eckerd and Rite Aid stores that are in close proximity to one another may be combined to improve overall productivity.

Our new and relocated store program is focused on our strongest existing markets. Our goal is to open or relocate approximately 800 to 1,000 stores over the next five years, of which we expect that at least 50% will be relocated stores. As part of this program, we also plan to continue remodeling stores. An integral part of the program is a new prototype store. Approximately 160 new or relocated stores have been constructed and opened utilizing the new prototype. We expect that almost all of the planned new and relocated stores will be the new prototype store. We believe that this program, over the longer term, along with the execution of our near term strategy of improving store productivity, will increase our sales and customer satisfaction.

Grow our Pharmacy Sales and Attract More Customers. We believe that customer service and convenience are key factors to growing pharmacy sales. To improve customer service, we are focused on our "With Us, It's Personal" program that is aimed at delivering more personalized service along with timely delivery to our customers. To help our pharmacists do this, we developed and implemented a new pharmacy management and dispensing system and expect to implement this system in the Brooks and Eckerd stores that we acquired. This system, which we call "Nexgen," provides our pharmacists with better tools and information to meet our customers' needs. In addition, Nexgen provides management with important information about the performance of each pharmacy in critical operating areas that drive customer service. We provide our customers with an easy and convenient way to order refills over the telephone or the internet using our automatic refill program. To provide better value to our customers we recommend, when appropriate, the utilization of generic drugs. Generic drugs, which often cost our customers significantly less than a branded drug, are also more profitable for us. Our generic penetration continues to increase every year, and we are setting our goals even higher in future years to take advantage of the substantial number of new generics expected to come to market.

The Medicare Part D program provides prescription drug coverage to senior citizens, including those who previously were not covered by any drug benefit program. We communicate information on the Medicare Part D program to senior citizens. We also offer senior citizens newsletters and prescription discounts through our Living More program, a customer loyalty program. We have also expanded our home health category to target senior citizens with products like wheelchairs, canes, electric scooters and products that enhance bath safety. We believe that programs like these will help us to grow prescription sales in this important market.

To help grow sales and script count, we acquire pharmacy files from other drug stores and have initiatives designed to attract and retain those customers. These initiatives include the opening of in-store health clinics such as those we opened in 2006 in the Los Angeles, California and Sacramento, California areas, and the continuing pilot of a medication therapy management program, a fee for service arrangement, in conjunction with physicians and the University of Pittsburgh. We believe these initiatives have been effective at growing sales in their target markets and have scalable, replicable potential for future expansion.

We also have the capability to provide pharmacy benefit management ("PBM") services to employers, health plans and insurance companies. We intend to offer, through our PBM capabilities, a 90 day prescription supply at retail alternative to mail order. We believe that providing PBM services will create opportunities to direct customers to our stores.

Grow Front-End Sales. We intend to grow front-end sales through continued emphasis on core drugstore categories, a commitment to health and wellness products to enhance our pharmacy position, a focus on seasonal and cross-merchandising, offering a wider selection of products and services to our customers and effective promotions in our weekly advertising circulars. Our focus for expanding our products and services includes several fully integrated health condition marketing programs, e.g., diabetes, allergy, vitamins, heart health, skincare and pain management, a continued strengthening of our collaborative relationship with our suppliers, an emphasis on our Rite Aid private brand products, which provide better value for our customers and higher margins for us, offering ethnic products targeted to selected markets, expansion of the number of GNC store-within-Rite Aid-store, and utilizing digital technology in our one-hour photo development. We believe that the new store and relocation program described earlier will also contribute to an increase in our front-end sales.

The average front-end sales per store for the Rite Aid stores are approximately 35% more than the average front-end sales per store for the Brooks Eckerd stores located in the same markets, even though the average square footage of such Rite Aid stores is slightly less than the average square footage of such Brooks and Eckerd stores. Our goal is to increase the average Brooks Eckerd front-end sales per store to the level of the average Rite-Aid front-end sales per store. We believe that implementing Rite Aid "best practices" into the former Brooks Eckerd stores will increase their average front-end sales per store to a level similar to the average existing Rite Aid front-end sales per store.

Focus on Customers and Associates. Our "With Us, It's Personal" commitment encourages associates to provide customers with a superior customer service experience. We obtain feedback on our customer service performance by utilizing an automated survey system that collects store specific information from customers shortly after the point of sale and from independent third party customer surveys. We also have programs in place that are designed to enhance customer satisfaction, an example of which is the maintenance of a customer support center that centrally receives and processes all customer calls. We continue to develop and implement associate training programs such as our "Take 10" program to improve customer satisfaction and educate our associates about the products we offer. We have implemented programs that create compensatory and other incentives for associates to provide customers with excellent service. We believe that these steps further enable and motivate our associates to deliver superior customer service.

Expense Control and Cost Savings Through Synergies. In our existing stores, and in the combined company upon completion of the acquisition, our goal is to reduce costs, lower expense or contain expense in order to leverage the pharmacy and front end sales growth strategies described earlier, which will allow for more investment in the strategies important for our future. We budget and monitor all areas of expense and have also targeted areas of spending for improvement. Our targeted expense areas are subject to analysis of the processes involved, with an emphasis on collaboration between areas in the company and vendors, utilization of competition between vendors and consolidation of spending volumes to achieve economies of scale. Examples of expense areas that are targeted for improvement include: (i) inventory returns, (ii) utility expense and (iii) temporary labor. We have begun to implement strategies to reduce the volume of merchandise returns and thereby reduce the labor expense and inventory valuation losses related to returns. We also have taken steps to better control utility expense by focusing on improving our energy management practices, replacing certain equipment to lower consumption and accessing alternative energy sources for a lower cost. We have begun the process of consolidating the various temporary labor arrangements throughout our business to achieve economies of scale.

In addition to the focus and activities described in the previous paragraph, as a result of the acquisition, we estimate that net reductions in costs and expenses of approximately $200 million (which is net of assumed loss of operating results due to store disposals as mandated by regulatory authorities and additional labor and benefit expense), will be realized in the area of merchandise purchasing, advertising, distribution and administration during the remainder of fiscal 2008. Beginning in fiscal 2009, we estimate that annual net reductions in costs and expenses of approximately $300 million (which is net of an assumed loss of approximately $10 million of operating results due to store disposals as mandated by regulatory authorities and approximately $50 million of additional labor and benefit expense) will be realized. The general categories of anticipated cost and expense reduction opportunities are cost of product, corporate administrative expenses, advertising expenses and other expense reduction opportunities. We estimate cost of product reductions of approximately $195 million, primarily from purchasing certain products for all stores at lower costs and increases in vendor support. We also estimate corporate administrative expense reductions of approximately $55 million, related to the consolidation of the Brooks Eckerd headquarter functions into the Rite Aid headquarter functions. We estimate advertising expense reductions of approximately $45 million, from eliminating advertising expense that is duplicated in common markets. We also expect other expense reduction opportunities of approximately $35 million in areas such as energy management, physical inventory processes and supply procurement processes. We estimate improve operating results of approximately $30 million from combining stores in close proximity to one another. We also expect other benefits and synergies to result from additional operational efficiencies, greater economies of scale and revenue enhancement opportunities. However, the timing and size of these other benefits and synergies cannot be currently determined. We can provide no assurance that the anticipated benefits and synergies from the acquisition described herein will be realized.

Summary Description of the Exchange Offer

Old Notes	9.375% Senior Notes due 2015, which were issued on June 1, 2007.
New Notes	9.375% Senior Notes due 2015, the issuance of which has been registered under the Securities Act of 1933. The form and terms of the new notes are identical in all material respects to those of the old notes, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes.
Exchange Offer	We are offering to issue up to $410.0 million aggregate principal amount of the new notes in exchange for a like principal amount of the old notes to satisfy our obligations under the registration rights agreement that was executed when the old notes were issued in a transaction in reliance upon the exemption from registration provided by Rule 144A and Regulation S of the Securities Act.
Expiration Date; Tenders	The exchange offer will expire at 5:00 p.m., New York City time, on , 2007 (the 21st business day following the date of this prospectus), unless extended in our sole and absolute discretion. By tendering your old notes, you represent to us that:
	you are not our "affiliate," as defined in Rule 405 under the Securities Act;
	any new notes you receive in the exchange offer are being acquired by you in the ordinary course of your business;
	at the time of commencement of the exchange offer, neither you nor anyone receiving new notes from you, has any arrangement or understanding with any person to participate in the distribution, as defined in the Securities Act, of the new notes in violation of the Securities Act;
	you are not holding old notes that have, or are reasonably likely to have, the status of an unsold allotment in the initial offering;
	if you are not a participating broker-dealer, you are not engaged in, and do not intend to engage in, the distribution of the new notes, as defined in the Securities Act; and
	if you are a broker-dealer, you will receive the new notes for your own account in exchange for old notes that were acquired by you as a result of your market-making or other trading activities and that you will deliver a prospectus in connection with any resale of the new notes you receive. For further information regarding resales of the new notes by participating broker-dealers, see the discussion under the caption "Plan of Distribution."

Withdrawal; Non-Acceptance	You may withdraw any old notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on , 2007. If we decide for any reason not to accept any old notes tendered for exchange, the old notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of the old notes tendered by book-entry transfer into the exchange agent's account at The Depository Trust Company, any withdrawn or unaccepted old notes will be credited to the tendering holder's account at DTC. For further information regarding the withdrawal of tendered old notes, see the "The Exchange Offer Terms of the Exchange Offer; Period for Tendering Old Notes" and the "The Exchange Offer Withdrawal Rights."
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, which we may waive. See the discussion below under the caption "The Exchange Offer Conditions to the Exchange Offer" for more information regarding the conditions to the exchange offer.
Procedures for Tendering the Old Notes	Unless you comply with the procedures described below under the caption "The Exchange Offer Guaranteed Delivery Procedures," you must do one of the following on or prior to the expiration or termination of the exchange offer to participate in the exchange offer:
	tender your old notes by sending the certificates for your old notes, in proper form for transfer, a properly completed and duly executed letter of transmittal, with any required signature guarantees, and all other documents required by the letter of transmittal, to The Bank of New York Trust Company, N.A., as exchange agent, at one of the addresses listed below under the caption "The Exchange Offer Exchange Agent," or
	tender your old notes by using the book-entry transfer procedures described below and transmitting a properly completed and duly executed letter of transmittal, with any required signature guarantees, or an agent's message instead of the letter of transmittal, to the exchange agent. In order for a book-entry transfer to constitute a valid tender of your old notes in the exchange offer, The Bank of New York Trust Company, N.A., as exchange agent, must receive a confirmation of book-entry transfer of your old notes into the exchange agent's account at DTC prior to the expiration or termination of the exchange offer. For more information regarding the use of book-entry transfer procedures, including a description of the required agent's message, see the discussion below under the caption "The Exchange Offer Book-Entry Transfers."

Guaranteed Delivery Procedures	If you are a registered holder of old notes and wish to tender your old notes in the exchange offer, but
	the old notes are not immediately available,
	time will not permit your old notes or other required documents to reach the exchange agent before the expiration or termination of the exchange offer, or
	the procedure for book-entry transfer cannot be completed prior to the expiration or termination of the exchange offer,
	then you may tender old notes by following the procedures described below under the caption "The Exchange Offer Guaranteed Delivery Procedures."
Special Procedures for Beneficial Owners	If you are a beneficial owner whose old notes are registered in the name of the broker, dealer, commercial bank, trust company or other nominee and you wish to tender your old notes in the exchange offer, you should promptly contact the person in whose name the old notes are registered and instruct that person to tender on your behalf. If you wish to tender in the exchange offer on your behalf, prior to completing and executing the letter of transmittal and delivering your old notes, you must either make appropriate arrangements to register ownership of the old notes in your name or obtain a properly completed bond power from the person in whose name the old notes are registered.
Material Federal Income Tax Considerations	The exchange of the old notes for new notes in the exchange offer will not be a taxable transaction for United States federal income tax purposes. See the discussion under the caption "Material Federal Income Tax Considerations" for more information regarding the tax consequences to you of the exchange offer.
Use of Proceeds	We will not receive any proceeds from the exchange offer.
Exchange Agent	The Bank of New York Trust Company, N.A. is the exchange agent for the exchange offer. You can find the address and telephone number of the exchange agent below under the caption "The Exchange Offer Exchange Agent."
Resales	Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to the third parties, we believe that the new notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred without compliance with the registration and prospectus delivery provisions of the Securities Act. However, you will not be able to freely transfer the new notes if:
	you are our "affiliate," as defined in Rule 405 under the Securities Act;

	you are not acquiring the new notes in the exchange offer in the ordinary course of your business;
	you have an arrangement or understanding with any person to participate in the distribution, as defined in the Securities Act, of the new notes, you will receive in the exchange offer;
	you are holding old notes that have or are reasonably likely to have the status of an unsold allotment in the initial offering; or
	you are a participating broker-dealer that received new notes for its own account in the exchange offer in exchange for old notes that were acquired as a result of market-making or other trading activities.
	If you fall within one of the exceptions listed above, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction involving the new notes. See the discussion below under the caption "The Exchange Offer Procedures for Tendering Old Notes" for more information.
Broker-Dealer	Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of new notes. The letter of transmittal states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes which were received by such broker-dealer as a result of market making activities or other trading activities. We have agreed that for a period of up to 210 days after the expiration date, as defined in this prospectus, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution" for more information.
Registration Rights Agreement	When the old notes were issued, we entered into a registration rights agreement with the initial purchasers of the old notes. Under the terms of the registration rights agreement, we agreed to use our commercially reasonable efforts to file with the SEC and cause to become effective, a registration statement relating to an offer to exchange the old notes for the new notes.

If we do not complete the exchange offer within 240 days of the date of issuance of the old notes (June 1, 2007), the interest rate borne by the old notes will be increased at a rate of 0.25% per annum every 90 days (but shall not exceed 0.50% per annum) until the exchange offer is completed, or until the old notes are freely transferable under Rule 144 of the Securities Act.

Under some circumstances set forth in the registration rights agreement, holders of old notes, including holders who are not permitted to participate in the exchange offer or who may not freely sell new notes received in the exchange offer, may require us to file and cause to become effective, a shelf registration statement covering resales of the old notes by these holders.

A copy of the registration rights agreement is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. See "Description of the New Notes Registration Rights and Additional Interest."

CONSEQUENCES OF NOT EXCHANGING OLD NOTES

If you do not exchange your old notes in the exchange offer, your old notes will continue to be subject to the restrictions on transfer described in the legend on the certificate for your old notes. In general, you may offer or sell your old notes only:

- if they are registered under the Securities Act and applicable state securities laws;
- if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or
- if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the old notes under the Securities Act. Under some circumstances, however, holders of the old notes, including holders who are not permitted to participate in the exchange offer or who may not freely resell new notes received in the exchange offer, may require us to file, and to cause to become effective, a shelf registration statement covering resales of old notes by these holders. For more information regarding the consequences of not tendering your old notes and our obligation to file a shelf registration statement, see "The Exchange Offer Consequences of Exchanging or Failing to Exchange Old Notes" and "Description of the New Notes Registration Rights Agreement and Additional Interest."

Summary Description of the New Notes

The terms of the new notes and those of the outstanding old notes are substantially identical, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes. For a more complete understanding of the new notes, see "Description of the New Notes."

Issuer	Rite Aid Corporation.
Securities	Up to $410.0 million aggregate principal amount of 9.375% Senior Notes due 2015.
Maturity Date	December 15, 2015.
Interest	We will pay interest on the new notes at the rate of 9.375% per year, payable in cash, on June 15 and December 15 of each year, beginning on December 15, 2007.
Mandatory Redemption	None.
Optional Redemption	Prior to June 15, 2011, we may redeem some or all of the new notes by paying a "make-whole" premium based on U.S. Treasury rates. On or after June 15, 2011, we may redeem some or all of the new notes at the redemption prices listed under the heading "Description of the New Notes Optional Redemption," plus accrued and unpaid interest to the date of redemption.
	In addition, at any time and from time to time, prior to June 15, 2010, we may redeem up to 35% of the original aggregate principal amounts of the new notes with the net proceeds of one or more of our equity offerings at a redemption price of 109.375% of the principal amount, plus accrued and unpaid interest, if any, to the date of redemption, provided that at least 65% of the original aggregate amount of the notes remain issued and outstanding.
Subsidiary Guarantees	Our obligations under the new notes will be fully and unconditionally guaranteed, jointly and severally, by all of our subsidiaries that guarantee our obligations under our existing credit facilities and our outstanding senior secured notes (the "Subsidiary Guarantors"). The subsidiary guarantees will be unsecured. Under certain circumstances, subsidiaries may be released from these guarantees without the consent of holders of the new notes. The subsidiary guarantees will be subordinated to the subsidiary guarantees of our credit facilities.
Repurchase at Option of Holders Upon a Change in Control	In the event of a change in control (as defined under the heading "Description of New Notes Definitions"), each holder of new notes may require us to repurchase its new notes in whole or in part, at a repurchase price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the repurchase date. See "Description of the New Notes Repurchase at the Option of Holders Upon a Change of Control" and "Risk Factors Risks Related to the Exchange Offer and Holding the New Notes We may be unable to purchase the new notes upon a change of control."

Ranking	The new notes will be unsecured, unsubordinated obligations of Rite Aid Corporation and will rank equally in right of payment with all of our other unsecured, unsubordinated indebtedness. We currently do not have any subordinated indebtedness. The new notes and the related guarantees will be effectively junior to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness.
	As of June 2, 2007, after giving effect to the offering of the old notes, together with additional borrowings under our credit facilities made in connection with the acquisition, the total outstanding debt of us and subsidiary guarantors (including current maturities and capital lease obligations, but excluding unused commitments, undrawn letters of credit and off balance sheet obligations under our accounts receivable securitization program) would have been $5,501.9 million, of which $2,690.3 million would have been secured. The new notes will be effectively junior to all of our existing and future secured debt to the extent of the value of the assets securing such debt and will be structurally subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries.
Covenants	The indentures governing the new notes contain covenants that limit our ability and the ability of our restricted subsidiaries to, among other things:
	incur additional debt;
	pay dividends or make other restricted payments;
	purchase, redeem or retire capital stock or subordinated debt;
	make asset sales;
	enter into transactions with affiliates;
	incur liens;
	enter into sale-leaseback transactions;
	provide subsidiary guarantees;
	make investments; and
	merge or consolidate with any other person.

RISK FACTORS

You should consider carefully the following factors, as well as the other information set forth or incorporated by reference in this prospectus, before tendering your old notes in the exchange offer. When we use the term "notes" in this prospectus, the term includes the old notes and the new notes.

Risks Related to the Exchange Offer and Holding the New Notes

Holders who fail to exchange their old notes will continue to be subject to restrictions on transfer.

If you do not exchange your old notes for new notes in the exchange offer, you will continue to be subject to the restrictions on transfer of your old notes described in the legend on the certificates for your old notes. The restrictions on transfer of your old notes arise because we issued the old notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the old notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register the old notes under the Securities Act. For further information regarding the consequences of tendering your old notes in the exchange offer, see the discussions below under the captions "The Exchange Offer Consequences of Exchanging or Failing to Exchange Old Notes" and "Material Federal Income Tax Considerations."

You must comply with the exchange offer procedures in order to receive new, freely tradable new notes.

Delivery of new notes in exchange for old notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of the following:

- certificates for old notes or a book-entry confirmation of a book-entry transfer of old notes into the Exchange Agent's account at DTC, New York, New York as depository, including an Agent's Message (as defined herein) if the tendering holder does not deliver a letter of transmittal;

- a completed and signed letter of transmittal (or facsimile thereof), with any required signature guarantees, or an Agent's Message in lieu of the letter of transmittal; and

- any other documents required by the letter of transmittal.

Therefore, holders of old notes who would like to tender old notes in exchange for new notes should be sure to allow enough time for the old notes to be delivered on time. We are not required to notify you of defects or irregularities in tenders of old notes for exchange. Old notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offer, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offer, certain registration and other rights under the registration rights agreement will terminate. See "The Exchange Offer Procedures for Tendering Old Notes" and "The Exchange Offer Consequences of Exchanging or Failing to Exchange Old Notes."

Some holders who exchange their old notes may be deemed to be underwriters and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your old notes in the exchange offer for the purpose of participating in a distribution of the new notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

The new notes and the related guarantees will be effectively junior to our secured debt, and if a default occurs, we may not have sufficient funds to satisfy our obligations under the new notes.

The new notes and the related guarantees will be our general unsecured, unsubordinated obligations that will rank equal in right of payment with all the existing and future unsecured, unsubordinated debt of us and the subsidiary guarantors. The new notes will be effectively junior to all of our secured debt and secured debt of our subsidiaries with respect to the right to be satisfied from the assets that secure such secured debt as collateral. As of June 2, 2007, the total debt of us and the subsidiary guarantors (including current maturities and capital lease obligations but excluding unused commitments, undrawn letters of credit and off balance sheet obligations under our accounts receivable securitization program) was $4,254.4 million, of which $1,465.3 million was secured. As of June 2, 2007, after giving effect to the offering, together with additional borrowings under our credit facilities made in connection with the acquisition, the total debt of us and the subsidiary guarantors (including current maturities and capital lease obligations but excluding unused commitments, undrawn letters of credit and off balance sheet obligations under our accounts receivable securitization program) would have been $5,501.9 million, of which $2,690.3 million would have been secured.

We are a holding company and are dependent on dividends and other distributions from our subsidiaries.

We are a holding company with no direct operations. Our principal assets are the equity interests we hold in our operating subsidiaries. As a result, we are dependent upon dividends and other payments from our subsidiaries to generate the funds necessary to meet our financial obligations, including the payment of principal of and interest on our outstanding debt. Our subsidiaries are legally distinct from us and have no obligation to pay amounts due on our debt or to make funds available to us for such payment. Accordingly, our debt that is not guaranteed by our subsidiaries is structurally subordinated to the debt and other liabilities of our subsidiaries. If the guarantees of the new notes are held to be invalid or unenforceable or are limited by fraudulent conveyance or other laws, the new notes would be structurally subordinated to the debt of our subsidiaries.

Our creditors or the creditors of the subsidiary guarantors could challenge the guarantees of the new notes as fraudulent conveyances or on other grounds. The delivery of these guarantees could be found to be a fraudulent conveyance and declared void if a court determined that: the subsidiary delivered the guarantee with the intent to hinder, delay or defraud its existing or future creditors; the subsidiary guarantor did not receive fair consideration for the delivery of the guarantee; or the subsidiary guarantor was insolvent at the time it delivered the guarantee. We cannot assure you that a court would not reach one of these conclusions. In the event that a court declares these guarantees to be void, or in the event that the guarantees must be limited or voided in accordance with their terms, any claim you may make against us for amounts payable on the new notes would be effectively subordinated to the obligations of our subsidiaries, including trade payables and other liabilities that constitute indebtedness.

We may be unable to purchase the new notes upon a change of control.

Upon a change of control event, we would be required to offer to purchase the new notes for cash at a price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any. The change of control provisions of the new notes may not protect you if we undergo a highly leveraged transaction, reorganization, restructuring, acquisition or similar transaction that may adversely affect you unless the transaction is included within the definition of a change of control.

Our existing credit facilities provide that the occurrence of certain events that would constitute a change in control for the purposes of the indenture governing the new notes constitutes a default under such facility. Much of our other debt also requires us to repurchase such debt upon an event that would constitute a change in control for the purposes of the new notes. Other future debt may contain prohibitions of events that would constitute a change in control or would require such debt to be repurchased upon a change in control. Moreover, the exercise by holders of new notes of their right to require us to repurchase their new notes could cause a default under our existing or future debt, even if the change in control itself does not result in a default under existing or future debt, due to the financial effect of such repurchase on us. Finally, our ability to pay cash to holders of new notes upon a repurchase may be limited by our financial resources at the time of such repurchase. Therefore, we cannot assure you that sufficient funds will be available when necessary to make any required repurchases. Our failure to purchase new notes in connection with a change in control would result in a default under the indenture governing the new notes. Such a default would, in turn, constitute a default under much of our existing debt, and may constitute a default under future debt as well.

There is no established trading market for the new notes and you may find it difficult to sell your new notes.

There is no existing trading market for the new notes. We do not intend to apply for listing or quotation of the new notes on any exchange. Therefore, we do not know the extent to which investor interest will lead to the development of a trading market or how liquid that market might be, nor can we make any assurances regarding the ability of new note holders to sell their new notes, the amount of new notes to be outstanding following the exchange offer or the price at which the new notes might be sold. As a result, the market price of the new notes could be adversely affected. Historically, the market for non-investment grade debt, such as the new notes, has been subject to disruptions that have caused substantial volatility in the prices of such securities. Any such disruptions may have an adverse affect on holders of the new notes.

Risks Related to our Financial Condition

We are highly leveraged. Our substantial indebtedness could limit cash flow available for our operations and could adversely affect our ability to service debt or obtain additional financing if necessary.

We had, as of June 2, 2007, $4,254.4 million of outstanding indebtedness and stockholders' equity of $1,710.5 million. We also had additional borrowing capacity under our existing $1,750 million senior secured revolving credit facility of $1,365.1 million at that time, net of outstanding letters of credit of $123.9 million. As of June 2, 2007, we would have $5,501.9 million of outstanding indebtedness and $2,792.4 million of stockholders' equity, giving pro forma effect to the acquisition. At the time of closing for the acquisition, we funded the $2,358.3 million cash portion of the purchase price with the issuance of additional debt, including the old notes.

Our debt obligations adversely affect our operations in a number of ways and while we believe we have adequate sources of liquidity to meet our anticipated requirements for working capital, debt service and capital expenditures through the remainder of fiscal year 2008, there can be no assurance that our cash flow from operations will be sufficient to service our debt, which may require us to borrow additional funds for that purpose, restructure or otherwise refinance our debt. Our earnings were insufficient to cover the sum of our fixed charges and preferred stock dividends for fiscal 2007, 2006, 2004, and 2003 by $50.8 million, $23.1 million, $2.6 million, and $204.3 million, respectively. Our ratio of earnings to fixed charges and preferred stock dividends for the fiscal quarter ended June 2, 2007 and for fiscal 2005 was 1.07 and 1.15, respectively. Our earnings would have been insufficient to cover the sum of our fixed charges and preferred stock dividends on a pro forma basis giving effect to the acquisition by approximately $82.8 million and $261.4 million in the fiscal quarter ended June 2, 2007 and fiscal 2007, respectively.

Our high level of indebtedness will continue to restrict our operations. Among other things, our indebtedness will:

- limit our ability to obtain additional financing;
- limit our flexibility in planning for, or reacting to, changes in the markets in which we compete;
- place us at a competitive disadvantage relative to our competitors with less indebtedness;
- render us more vulnerable to general adverse economic, regulatory and industry conditions; and
- require us to dedicate a substantial portion of our cash flow to service our debt.

Our ability to meet our cash requirements, including our debt service obligations, is dependent upon our ability to substantially improve our operating performance, which will be subject to general economic and competitive conditions and to financial, business and other factors affecting our operations, many of which are or may be beyond our control. In addition, some of our debt service obligations, including our existing credit facilities, have interest payments that are subject to variable interest rates and are therefore dependent upon future interest rates which are beyond our control. We cannot provide assurance that our business will generate sufficient cash flows from operations to fund our cash requirements and debt service obligations. If our operating results, cash flow or capital resources prove inadequate, or if interest rates increase significantly, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt and other obligations. If we are unable to service our debt, we could be forced to reduce or delay planned expansions and capital expenditures, sell assets, restructure or refinance our debt or seek additional equity capital, and we may be unable to take any of these actions on satisfactory terms or in a timely manner. Further, any of these actions may not be sufficient to allow us to service our debt obligations or may have an adverse impact on our business. Our existing debt agreements limit our ability to take certain of these actions. Our failure to generate sufficient operating cash flow to pay our debts or to successfully undertake any of these actions could have a material adverse effect on us.

Borrowings under our credit facilities and expenses related to the sale of our accounts receivables under our receivables securitization agreements are based upon variable rates of interest, which could result in higher expense in the event of increases in interest rates.

As of June 2, 2007, after giving pro forma effect to the borrowings made to finance the acquisition, approximately $1.6 billion of our outstanding indebtedness bears an interest rate that varies depending upon the London Interbank Offered Rate ("LIBOR"). If we borrow additional amounts under our senior credit facility, the interest rate on those borrowings will also vary depending upon LIBOR. Further, we pay ongoing program fees under our receivables securitization agreements that vary depending upon LIBOR. If LIBOR rises, the interest rates on outstanding debt and the program fees under our receivables securitization program will increase. Therefore an increase in LIBOR would increase our interest payment obligations under these loans, increase our receivables securitization program fee payments and have a negative effect on our cash flow and financial condition. We currently do not maintain any hedging contracts that would limit our exposure to variable rates of interest.

The covenants in our current indebtedness, including the old notes, impose restrictions that may limit our operating and financial flexibility.

The covenants in the instruments that govern our current indebtedness and the new notes limit our ability to:

- incur liens and debt;
- pay dividends;

- make redemptions and repurchases of capital stock;
- make loans and investments;
- prepay, redeem or repurchase debt;
- engage in acquisitions, consolidations, assets dispositions, sale-leaseback transactions and affiliate transactions;
- change our business;
- amend some of our debt and other material agreements;
- issue and sell capital stock of subsidiaries;
- restrict distributions from subsidiaries; and
- grant negative pledges to other creditors.

In addition, if we have less than $100.0 million of revolver availability under our senior secured credit facility, we will be subject to a fixed charge coverage ratio maintenance test. If we are unable to meet the terms of the financial covenants or if we breach any of these covenants, a default could result under one or more of these agreements. A default, if not waived by our lenders, could result in the acceleration of our outstanding indebtedness and cause our debt to become immediately due and payable. If acceleration occurs, we would not be able to repay our debt and it is unlikely that we would be able to borrow sufficient additional funds to refinance such debt. Even if new financing is made available to us, it may not be available on terms acceptable to us. If we obtain modifications of our agreements, or are required to obtain waivers of defaults, we may incur significant fees and transaction costs.

Risks Related to our Operations

Although we expect that the acquisition of Brooks Eckerd will result in benefits to us, we may not realize those benefits because of integration difficulties.

Integrating the operations of Brooks Eckerd successfully or otherwise realizing any of the anticipated benefits of the acquisition, including anticipated cost savings and additional revenue opportunities, involve a number of potential challenges. The failure to meet these integration challenges could seriously harm our results of operations.

Realizing the benefits of the acquisition will depend in part on the integration of information technology, operations and personnel. These integration activities are complex and time-consuming and we may encounter unexpected difficulties or incur unexpected costs, including:

- diversion of management attention from ongoing business concerns to integration matters;
- difficulties in consolidating and rationalizing information technology platforms and administrative infrastructures;
- difficulties in integrating the Brooks Eckerd store operations to serve the combined customer base of Rite Aid and Brooks Eckerd;

difficulties in converting the distribution centers;

difficulties in combining corporate cultures, maintaining associate morale and retaining key associates; and

challenges in demonstrating to our customers and to customers of Brooks Eckerd that the acquisition will not result in adverse changes in customer service standards or business focus.

We expect to spend approximately $475 million of integration-related capital expenditures and to incur approximately $205 million of integration-related non-recurring expenses during the anticipated 16-month integration period. If the anticipated benefits and synergies are not realized, or if the integration-related expenses and capital requirements are greater than anticipated, the accretive effect of the acquisition could be decreased or delayed, which could cause a decline in the price of our common stock, and our revenue assumptions could be inaccurate.

Moreover, the Brooks Eckerd stores are not fully integrated with one another and in many instances operate using different systems. As a result, following the acquisition, we will be undertaking to integrate not one but two drugstore chains into our operations. Complications in integrating these two drugstore chains could increase our integration costs and make it more difficult to achieve a successful integration following the acquisition.

We may not successfully integrate the operations of Brooks Eckerd in a timely manner and we may not realize the anticipated net reductions in costs and expenses and other benefits and synergies of the acquisition of Brooks Eckerd to the extent, or in the timeframe, anticipated. In addition to the integration risks discussed above, our ability to realize these net reductions in costs and expenses and other benefits and synergies could be adversely impacted by practical or legal constraints on our ability to combine operations.

We need to continue to improve our operations in order to improve our financial condition, but our operations will not improve if we cannot continue to effectively implement our business strategy or if our strategy is negatively affected by general economic conditions.

Our previously existing stores and the Brooks Eckerd stores we acquired have not yet achieved the sales productivity level of our major competitors. We believe that improving the sales of existing stores is important to improving profitability and operating cash flow. If we are not successful in implementing our strategy, or if our strategy is not effective, we may not be able to improve our operations. In addition, any adverse change in general economic conditions or major industries can adversely affect drug benefit plans and reduce our pharmacy sales or can adversely affect consumer buying practices and reduce our sales of front-end products and cause a decrease in our profitability. Failure to continue to improve operations, or a decline in major industries or general economic conditions, would adversely affect our results of operations, financial condition and cash flows and our ability to make principal or interest payments on our debt.

For so long as Jean Coutu Group (and, subject to certain conditions, certain members of the Coutu family) maintain certain levels of Rite Aid stock ownership, Jean Coutu Group (and, subject to certain conditions, certain members of the Coutu family) will exercise significant influence over us.

Jean Coutu Group owns approximately 30.2% of the voting power of Rite Aid. As a result, Jean Coutu Group (and, subject to certain conditions, certain members of the Coutu family) generally has the ability to significantly influence the outcome of any matter submitted for the vote of our stockholders. The stockholder agreement provides that Jean Coutu Group (and, subject to certain conditions, certain members of the Coutu family) designate four of the fourteen members of our board of directors, subject to adjustment based on its ownership position in us. Accordingly, Jean Coutu Group generally is able to significantly influence the outcome of all matters that come before our board of directors. As a result of its significant interest in us, Jean Coutu Group may have the power, subject to applicable law (including the fiduciary duties of the directors designated by Jean Coutu Group), to significantly influence actions that might be favorable to Jean Coutu Group, but not necessarily favorable to our financial condition and results of operations. In addition, the ownership position and governance rights of Jean Coutu Group could discourage a third party from proposing a change of control or other strategic transaction concerning us.

Conflicts of interest may arise between us and Jean Coutu Group, which may be resolved in a manner that adversely affects our business, financial condition or results of operations.

Following the acquisition, Jean Coutu Group has continued its Canadian operations but no longer has any operations in the United States; we currently have no operations in Canada. Despite the lack of geographic overlap after the acquisition, conflicts of interest may arise between us and Jean Coutu Group in areas relating to past, ongoing and future relationships, including corporate opportunities, potential acquisitions or financing transactions, sales or other dispositions by Jean Coutu Group of its interests in us and the exercise by Jean Coutu Group of its influence over our management and affairs.

As a result of the acquisition, a number of the directors on our board of directors are persons who are also officers or directors of Jean Coutu Group or its subsidiaries. Service as a director or officer of both Rite Aid and Jean Coutu Group or its other subsidiaries could create conflicts of interest if such directors or officers are faced with decisions that could have materially different implications for Rite Aid and for Jean Coutu Group. Apart from the conflicts of interest policy contained in our Code of Ethics and Business Conduct and applicable to our directors, we and Jean Coutu Group have not established any formal procedures for us and Jean Coutu Group to resolve potential or actual conflicts of interest between us. There can be no assurance that any of the foregoing conflicts will be resolved in a manner that does not adversely affect our business, financial condition or results of operations.

We are dependent on Jean Coutu Group for certain transitional services pursuant to a transition services agreement. The failure of Jean Coutu Group to perform its obligations under the transition services agreement could adversely affect our business, financial condition or results of operations.

Our ability to effectively monitor and control the operations of Brooks Eckerd depends to a large extent on the proper functioning of our information technology and business support systems. Currently, we are dependent upon Jean Coutu Group to continue to provide certain information technology, network and support services to the Brooks Eckerd stores for a period of time following the acquisition to facilitate the Brooks Eckerd transition. The terms of these arrangements are governed by a transition services agreement entered into at the time of the acquisition. If Jean Coutu Group fails to perform its obligations under the transition services agreement, we may not be able to perform such services ourselves or obtain such services from third parties at all or on terms favorable to us. In addition, upon termination of the transition services agreement, if we are unable to develop the necessary systems, resources and controls necessary to allow us to provide the services formerly provided by Jean Coutu Group or to obtain such services from third parties, it could adversely affect our business, financial condition or results of operations.

Our new store and store relocation development program requires entering construction and development commitments and occasionally purchasing land that will not be utilized for several years which may limit our financial flexibility.

We will enter into significant construction and development commitments as part of our new store and store relocation development program. Also, we will occasionally make capital expenditures to acquire land that may not be used for several years. Even if there are significant negative economic or competitive developments in our industry, financial condition or the regions where we have made these commitments, we are obligated to fulfill these commitments. Further, if we subsequently dispose of the property that we acquire, we may receive less than our purchase price or the net book value of such property, which may result in financial loss.

We are dependent on our management team, and the loss of their services could have a material adverse effect on our business and the results of our operations or financial condition.

The success of our business is materially dependent upon the continued services of our executive management team. The loss of key personnel could have a material adverse effect on our results of operations, financial condition or cash flows. Additionally, we cannot assure you that we will be able to attract or retain other skilled personnel in the future.

We are substantially dependent on a single wholesaler of branded pharmaceutical products to sell products to us on satisfactory terms. A disruption in this relationship may have a negative effect on our results of operations, financial condition and cash flow.

During fiscal 2007 we purchased all of our brand prescription drugs from a single wholesaler, McKesson, pursuant to a contract that runs through March 2009. Brooks Eckerd also purchased all their brand prescription drugs from McKesson in fiscal 2007. We expect McKesson to continue to be our only source of brand prescription drugs through the terms of the existing contracts. Pharmacy sales represented approximately 63.7% of our total sales during fiscal 2007, or approximately 67% pro forma for the completion of the acquisition and, therefore, our relationship with McKesson is important to us. Any significant disruptions in our relationship with McKesson would make it difficult for us to continue to operate our business until we executed a replacement strategy. There can be no assurance that we would be able to find a replacement supplier on a timely basis or that such supplier would be able to fulfill our demands on similar terms, which would have a material adverse effect on our results of operations, financial condition and cash flows.

Risks Related to our Industry

The markets in which we operate are very competitive and further increases in competition could adversely affect us.

We face intense competition with local, regional and national companies, including other drugstore chains, independently owned drugstores, supermarkets, mass merchandisers, discount stores, dollar stores and mail order pharmacies. Our industry also faces growing competition from companies who import drugs directly from other countries, such as Canada, as well as from large-scale retailers that offer generic drugs at a substantial discount. Some of our competitors have or may merge with or acquire pharmaceutical services companies, which may further increase competition. We may not be able to effectively compete against them because our existing or potential competitors may have financial and other resources that are superior to ours. In addition, we may be at a competitive disadvantage because we are more highly leveraged than our competitors. The ability of our stores to achieve profitability depends on their ability to achieve a critical mass of customers. We believe that the continued consolidation of the drugstore industry will further increase competitive pressures in the industry. As competition increases, a significant increase in general pricing pressures could occur, which would require us to increase our sales volume and to sell higher margin products and services in order to remain competitive. We cannot assure you that we will be able to continue effectively to compete in our markets or increase our sales volume in response to further increased competition.

Drug benefit plan sponsors and third party payors could change their plan eligibility criteria and further encourage or require the use of mail-order prescriptions which could decrease our sales and reduce our margins and have a material adverse effect on our business.

An adverse trend for drugstore retailing has been initiatives to contain rising healthcare costs leading to the rapid growth in mail-order prescription processors. These prescription distribution methods have grown in market share relative to drugstores as a result of the rapid rise in drug costs experienced in recent years and are predicted to continue to rise. Mail-order prescription distribution methods are perceived by employers and insurers as being less costly than traditional distribution methods and are being encouraged, and, in some cases, required, by third party pharmacy benefit managers, employers and unions that administer benefits. As a result, some labor unions and employers are requiring, and others may encourage or require, that their members or employees obtain medications from mail-order pharmacies which offer drug prescriptions at prices lower than we are able to offer.

Another adverse trend for drugstore retailing has been for drug benefit plan sponsors and third party payors to change their plan eligibility requirements resulting in fewer beneficiaries covered and a reduction in the number of prescriptions allowed.

Mail-order prescription distribution and drug benefit plan eligibility changes have negatively affected sales for traditional chain drug retailers, including us, in the last few years and we expect such negative effect to continue in the future. There can be no assurance that our efforts to offset the effects of mail order and eligibility changes will be successful.

The availability of pharmacy drugs is subject to governmental regulations.

The continued conversion of various prescription drugs to over-the-counter medications may reduce our pharmacy sales and customers may seek to purchase such medications at non-pharmacy stores. Also, if the rate at which new prescription drugs become available slows or if new prescription drugs that are introduced into the market fail to achieve popularity, our pharmacy sales may be adversely affected. The withdrawal of certain drugs from the market or concerns about the safety or effectiveness of certain drugs or negative publicity surrounding certain categories of drugs may also have a negative effect on our pharmacy sales or may cause shifts in our pharmacy or front-end product mix.

Changes in third party reimbursement levels for prescription drugs could reduce our margins and have a material adverse effect on our business.

Sales of prescription drugs, as a percentage of sales, and the percentage of prescription sales reimbursed by third parties, have been increasing and we expect them to continue to increase. In fiscal 2007, sales of prescription drugs represented 63.7% of our sales, and pro forma for the acquisition, approximately 67% of our sales as a combined company. In fiscal 2007, 95.4% of all of the prescription drugs that we sold were with third party payors. During fiscal 2007, the top five third party payors accounted for approximately 31.2% of our total sales, the largest of which represented 9.4% of our total sales. Third-party payors could reduce the levels at which they will reimburse us for the prescription that we provide to their members. Any significant loss of third party payor business could have a material adverse effect on our business and results of operations.

In fiscal 2007, approximately 6.8% of our revenues were from state sponsored Medicaid agencies, the largest of which was 2% of our total sales. In fiscal 2007, approximately 13% of our prescription sales were to customers covered by Medicare Part D, and we expect these sales to continue. There have been a number of recent proposals and enactments by the Federal government and various states to reduce Medicaid reimbursement levels in response to budget problems, which includes a rule issued by the centers for Medicare and Medicaid Services in July 2007 that would require Medicaid agencies to reimburse for certain drugs using an average manufacturer's price. This change could significantly reduce reimbursement levels. If third party payors reduce their reimbursement levels or if Medicare Part D or state Medicaid programs cover prescription drugs at lower reimbursement levels, our margins on these sales would be reduced, and the profitability of our business and our results of operations, financial condition or cash flows could be adversely affected.

We are subject to governmental regulations, procedures and requirements; our noncompliance or a significant regulatory change could adversely affect our business, the results of our operations or our financial condition.

Our business is subject to federal, state and local government laws, regulations and administrative practices. We must comply with numerous provisions regulating health and safety, equal employment opportunity, minimum wage and licensing for the sale of drugs, alcoholic beverages, tobacco and other products. In addition, we must comply with regulations pertaining to product labeling, dating and pricing. Our pharmacy business is subject to local registrations in the states where our pharmacies are located, applicable Medicare and Medicaid regulations and prohibitions against paid referrals of patients. Failure to properly adhere to these and other applicable regulations could result in the imposition of civil and criminal penalties including suspension of payments from government programs; loss of required government certifications; loss of authorizations to participate in or exclusion from government reimbursement programs, such as the Medicare and Medicaid programs; loss of licenses; significant fines or monetary penalties for anti-kickback law violations, submission of false claims or other failures to meet reimbursement program requirements and could adversely affect the continued operation of our business.

Our pharmacy business is subject to the patient privacy and other obligations including corporate, pharmacy and associate responsibility, imposed by the Health Insurance Portability and Accountability Act. As a covered entity, we are required to implement privacy standards, train our associates on the permitted use and disclosures of protected health information, provide a notice of privacy practice to our pharmacy customers and permit pharmacy health customers to access and amend their records and receive an accounting of disclosures of protected health information. Failure to properly adhere to these requirements could result in the imposition of civil as well as criminal penalties.

Federal and state reform programs, such as healthcare reform and enforcement initiatives of federal and state governments may also affect our pharmacy business. These initiatives include:

- proposals designed to significantly reduce spending on Medicare, Medicaid and other government programs;
- changes in programs providing for reimbursement for the cost of prescription drugs by third party plans;
- increased scrutiny of, and litigation relating to, prescription drug manufacturers' pricing and marketing practices; and
- regulatory changes relating to the approval process for prescription drugs.

These initiatives could lead to the enactment of, or changes to, federal regulations and state regulations that could adversely impact our prescription drug sales and, accordingly, our results of operations, financial condition or cash flows. It is uncertain at this time what additional healthcare reform initiatives, if any, will be implemented, or whether there will be other changes in the administration of governmental healthcare programs or interpretations of governmental policies or other changes affecting the healthcare system. Future healthcare or budget legislation or other changes, including those referenced above, may materially adversely impact our pharmacy sales.

Certain risks are inherent in providing pharmacy services; our insurance may not be adequate to cover any claims against us.

Pharmacies are exposed to risks inherent in the packaging and distribution of pharmaceuticals and other healthcare products, such as with respect to improper filling of prescriptions, labeling of prescriptions, adequacy of warnings and unintentional distribution of counterfeit drugs. In addition, federal and state laws that require our pharmacists to offer counseling, without additional charge, to their customers about medication, dosage, delivery systems, common side effects and other information the pharmacists deem significant can impact our business. Our pharmacists may also have a duty to warn customers regarding any potential negative effects of a prescription drug if the warning could reduce or negate these effects. Although we maintain professional liability and errors and omissions liability insurance, from time to time, claims result in the payment of significant amounts, some portions of which are not funded by insurance. We cannot assure you that the coverage limits under our insurance programs will be adequate to protect us against future claims, or that we will be able to maintain this insurance on acceptable terms in the future. Our results of operations, financial condition or cash flows may be adversely affected if in the future our insurance coverage proves to be inadequate or unavailable or there is an increase in liability for which we self-insure or we suffer reputational harm as a result of an error or omission.

We will not be able to compete effectively if we are unable to attract, hire and retain qualified pharmacists.

There is a nationwide shortage of qualified pharmacists, and we may not be able to attract, hire and retain enough qualified pharmacists. This could adversely affect our operations.

We may be subject to significant liability if any of our products become subject to contamination, product tampering or mislabeling, or should the consumption of any of our products cause injury, illness or death.

Products that we sell could become subject to contamination, product tampering, mislabeling or other damage requiring us to recall our private label products, or otherwise subjecting us to liability. In addition, errors in the dispensing and packaging of pharmaceuticals could lead to serious injury or death. Product liability claims may be asserted against us with respect to any of the products or pharmaceuticals we sell and we may be obligated to recall our private brand products. A product liability judgment against us or a product recall could have a material adverse effect on our business, financial condition or results of operations.

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. Any old notes that are properly tendered and exchanged pursuant to the exchange offer will be retired and cancelled.

RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

We have calculated the ratio of earnings to fixed charges and the ratio of combined fixed charges and preferred stock dividends to earnings in the following table by dividing the sum of fixed charges and preferred stock dividends by earnings. For this purpose, earnings include pre-tax income from continuing operations plus fixed charges before capitalized interest. Fixed charges include interest, whether expensed or capitalized, amortization of debt expense and that portion of rental expense which is representative of the interest factor in those rentals.

	Thirteen Weeks Ended	Fiscal Year Ended				
	June 2, 2007 (13 Weeks)	March 3, 2007 (52 Weeks)	March 4, 2006 (53 Weeks)	February 26, 2005 (52 Weeks)	February 28, 2004 (52 weeks)	March 1, 2003 (52 weeks)
Fixed Charges:						
Interest expense	$ 68,725	$ 275,219	$ 277,017	$ 294,871	$ 313,498	$ 330,020
Interest portion of net rental expense(1)	49,818	195,592	189,756	185,313	184,391	189,528
Fixed charges before capitalized interest	118,543	470,811	466,773	480,184	497,889	519,548
Capitalized interest	314	1,474	934	250	133	301
Total fixed charges	118,857	472,285	467,707	480,434	498,022	519,849
Preferred stock dividend requirement(2)	16,060	62,910	65,446	54,194	37,074	49,540
Total combined fixed charges and preferred stock dividends	$ 134,917	$ 535,195	$ 533,153	$ 534,628	$ 535,096	$ 569,389
Earnings:						
Income (loss) before income taxes	$ 26,369	$ 13,582	$ 43,254	$ 134,007	$ 34,584	$ (154,482)
Fixed charges before capitalized interest	118,543	470,811	466,773	480,184	497,889	519,548
Total earnings and fixed charges	144,912	$ 484,393	$ 510,027	$ 614,191	$ 532,473	$ 365,066
Ratio of earnings to fixed charges(3)	1.22	1.03	1.09	1.28	1.07	
Ratio of earnings to combined fixed charges and preferred stock dividends(4)	1.07			1.15		
Deficiency of earnings to fixed charges		$	$	$	$	$ (154,783)
Deficiency of earnings to combined fixed charges and preferred stock dividends		$ (50,802)	$ (23,126)	$	$ (2,623)	$ (204,323)

(1) The interest portion of net rental expense is estimated to be equal to one-third of the minimum rental expense for the period.

(2) The preferred stock divided requirement is computed as the pre-tax earnings that would be required to cover preferred stock dividends.

(3) For the year ended March 1, 2003, earnings were insufficient to cover fixed charges by approximately $154.8 million.

(4) For the years ended March 1, 2003, February 28, 2004, March 4, 2006 and March 3, 2007, earnings were insufficient to cover combined fixed charges and preferred stock dividends by approximately $204.3 million, $2.6 million, $23.1 million and $50.8 million, respectively.

Our deficiency of earnings to combined fixed charges and preferred stock dividends on a pro forma basis, which include the additional borrowings under our credit facilities incurred in connection with the acquisition for the year ended March 3, 2007 and the thirteen week period ended June 2, 2007, is $261,384 and $82,774, respectively.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF RITE AID

We derived our following financial data from audited financial statements for fiscal years 2003 through 2007 and the unaudited financial statements for the thirteen week periods ended June 2, 2007 and June 3, 2006. Our audited financial statements for the fiscal years 2005 through 2007 and the unaudited financial statements for the thirteen week periods ended June 2, 2007 and June 3, 2006 are incorporated by reference in this prospectus. Results for the interim periods should not be considered indicative of results for any other periods or for the year.

This information is only a summary. You should read the data set forth in the table below in conjunction with our audited consolidated financial statements and the accompanying notes, the unaudited financial statement and accompany notes and the respective Management's Discussion and Analysis of Financial condition and Results of Operations incorporated by reference in this prospectus.

teen Weeks Ended		Fiscal Year Ended				
ne 2, 007 Weeks)	June 3, 2006 (13 Weeks)	Mar. 3, 2007 (52 weeks)	Mar. 4, 2006 (53 weeks)	Feb. 26, 2005 (52 weeks)	Feb. 28, 2004 (52 weeks)	M (52
			(Dollars in thousands)			
57,810	$ 4,337,086	$ 17,507,719	$ 17,270,968	$ 16,816,439	$ 16,600,449	$
35,129	3,153,086	12,791,597	12,571,860	12,202,894	12,163,735	
27,787	1,085,597	4,370,481	4,307,421	4,127,536	4,029,220	
4,030	12,588	49,317	68,692	35,655	22,074	
68,725	69,334	275,219	277,017	294,871	313,498	
		18,662	9,186	19,229	35,315	
(4,230)	791	(11,139)	(6,462)	2,247	2,023	
31,441	4,321,396	17,494,137	17,227,714	16,682,432	16,565,865	
26,369	15,690	13,582	43,254	134,007	34,584	
(1,265)	4,735	(13,244)	(1,229,752)	(168,471)	(48,795)	
27,634	$ 10,955	$ 26,826	$ 1,273,006	$ 302,478	$ 83,379	$

rteen Weeks Ended	Fiscal Year Ended		
		US Appl. 60/755,280	Multi-Layer Tablet	Formulat and Metho Preparation Multi-Laye Tablets

In order to establish ourselves as a viable industry partner and secure a stable growth, we have to continue to invest in R&D in order to further strengthen our technology base, and be able to manufacture our products through our manufacturing partner at competitive costs.

Manufacturing Partnership

We have established a strategic partnership with Keata Pharma Inc., a wholly owned subsidiary of PharmEng International Inc. based in Markham, Ontario. Under this partnership, Keata Pharma provides pharmaceutical manufacturing services to us and promotes our product development services to interested pharmaceutical companies. In addition, we are co-developing generic products with Keata for the European generic market. We do not anticipate any raw material shortages for the products that we are currently developing.

Dependence on Major Customers

We do not rely on any one or a few major customers for our end products. We do however depend on a few partners for the development of new products, to obtain approval from regulatory bodies such as the FDA to commercialize these products and for the successful distribution of these products.

teen Weeks Ended **Fiscal Year Ended**

Intellectual Property and Patent Protection

We plan to aggressively continue to protect our intellectual property and technology by applying for patent protection in the United States and in the most relevant foreign markets in anticipation of future commercialization opportunities.

We intend to file core technology patents covering the use of our platform technologies in any pharmaceutical products. We also rely on trade secrets, common law trademark rights and trademark registrations and intend to protect our intellectual property through non-disclosure agreements, license agreements and appropriate restrictions and controls on the distribution of information.

Patent No.	Title	Subject	Date submitted / issued
US 6,231,957	Rapidly disintegrating flavor wafer for flavor enrichment	The composition, manufacturing, and use of rapidly disintegrating flavored films for releasing flavors to certain substrates	May 15, 2001
US 6,660,292	Rapidly disintegrating film for precooked foods	Composition and manufacturing of flavored films for releasing flavors to	December 9, 2003

rteen Weeks Ended	Fiscal Year Ended		
		precooked food substrates	
US Appl. 10/123,142	Flavored film	Composition and manufacturing method of multi-layered films	April 16, 2002

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US Appl. 60/748,298	Multi-Vitamin And Mineral Supplement	Formulation And Method of Preparation of Prenatal Multi-Vitamin Supplement	December 7, 2005
US Appl. 60/772,547	Delayed Release Oral Dosage Form And Method Of Making Same	Formulation And Method Of Making Bi-Layer Tablets Containing Delayed-Release Diclofenac And Misoprostol	February 13, 2006
US Appl. 60/772,547	Stabalized Bupropion and Bupropion / Mecamylamine Tablets	Formulation and Method of Preparation of Stabilized Bupropion and Bupropion / Mecamylamine Tablets	July, 2006

Government Regulation

The pharmaceutical industry is highly regulated. We have to remain current with FDA and other regulatory requirements in order to get new products approved. The consequence of this will be higher R&D expenses in order to meet regulatory requirements. We are responding to these regulatory challenges by focusing on 505(b)(2) opportunities that, by applying our drug delivery technology to existing drugs, give us access to high-potential product opportunities by limiting R&D expenses and time-to-market as compared to NDA (New Drug Application) products.

Research and Development

We are currently working on several 505(b)(2) opportunities using our Tri-Layer and Quick Release Wafer platform technologies. We source our 505(b)(2) projects in two ways: either we develop a potential product to proof of concept stage and then solicit potential pharmaceutical partners, or potential partners approach us directly or through the use of an intermediary with a particular product candidate for us to work on. The pharmaceutical partners provide the funding required for the product development and in return get the exclusive distribution rights for the products. We receive development milestone payments from our partners and royalties upon commercialization. Currently, development fees and milestone payments account for 100% of our revenues, and 53% of our R&D expenses were used to support partner programs.

Environmental Regulatory Compliance

We believe that we are fully compliant with environmental regulations of our research and development facility located in Ville Saint-Laurent, Quebec.

Employees

As of August 30, 2006 we had 7 full-time employees and one part-time employee. Five full-time employees and the part-time employee are directly involved in product development activities. The technical staff includes 3 Ph.D.'s, and one MD.

Facilities

We currently occupy 3,100 square feet of leased space at a rate of (Cdn.) $8.29/square foot in an industrial zone in Ville St.-Laurent, Quebec, Canada under a 5-year renewable lease agreement. We may have to expand our laboratory space in order to continue to support ongoing product development activities and allow the addition of further development programs. This may require us to move to a different location. Management has therefore entered into discussions with the current landlord to look for alternative facilities that would meet our need for additional space at affordable costs.

Recent Developments

On April 28, 2006, IntelGenx Technologies, directly and indirectly through its Canadian holding corporation, completed the acquisition of 100% of the issued and outstanding shares and warrants of IntelGenx. IntelGenx continued its operations as a controlled subsidiary of IntelGenx Technologies. IntelGenx Technologies acquired the shares of IntelGenx held by its principal shareholders pursuant to a share exchange agreement dated April 10, 2006 which IntelGenx Technologies entered into with IntelGenx and the principals of IntelGenx. IntelGenx Technologies also acquired 100,000 common share purchase warrants of IntelGenx pursuant to a securities purchase agreement which we entered into with Patrick J. Caruso, in exchange for 100,000 common share purchase warrants of IntelGenx Technologies. IntelGenx Technologies also acquired 3,191,489 common shares of IntelGenx from 34 investors in exchange for 3,191,489 shares of IntelGenx Technologies.

IntelGenx Technologies' special purpose Canadian subsidiary, 6544361 Canada Inc., completed the acquisition of 10,991,000 common shares of IntelGenx held by Horst Zerbe, Ingrid Zerbe and Joel Cohen (the "IntelGenx Principals") pursuant to the Share Exchange Agreement and other agreements among IntelGenx Technologies, its wholly owned subsidiary 6544631 Canada Inc. ("Exchangeco"), the IntelGenx Principals and Equity Transfer Services Inc. ("Equity"). Under the Share Exchange Agreement, Exchangeco acquired all of the issued and outstanding common shares of IntelGenx held by the IntelGenx Principals in exchange for 10,991,000 Class A Special Shares of Exchangeco ("Exchangeable Shares"). At closing of the Share Exchange Agreement, IntelGenx Technologies, Exchangeco, the IntelGenx Principals and Equity entered into an Exchange and Voting Trust Agreement (the "Exchange and Voting Trust Agreement") pursuant to which 10,991,000 shares of IntelGenx Technologies common stock (the "Trust Shares") were issued to Equity, in its capacity as trustee for the Principals, as security for IntelGenx Technologies' covenants under the provisions of the Exchangeable Shares. At closing, IntelGenx Technologies, Exchangeco and Equity also entered into a support agreement ("Support Agreement") which, among other things, sets forth the terms and conditions upon which the IntelGenx Principals may exchange the Exchangeable Shares for a corresponding number of shares of IntelGenx Technologies common stock. IntelGenx Technologies may satisfy its obligations by instructing the Trustee to deliver one IntelGenx Technologies common share for each such Exchangeable Share. IntelGenx Technologies, Exchangeco, Equity and the IntelGenx Principals also entered into an escrow agreement (the "Escrow Agreement") pursuant to which the IntelGenx Principals have deposited into escrow with Equity, as escrow agent, all of the Exchangeable Shares and they have undertaken to deposit with Equity any Trust Shares for which the Exchangeable Shares may be exchanged from time to time, over a term of 3 years following closing. The Escrow Agreement provides that the Exchangeable Shares and any Trust Shares held in escrow may not be sold, assigned or transferred, except as expressly permitted under the Escrow Agreement, and shall be released from escrow at the end of the 3-year term.

The Trustee, as the holder of record of the Trust Shares, shall be entitled to all of the voting rights, including the right to vote in person or by proxy the Trust Shares on any matters, questions, proposals or propositions whatsoever that may properly come before the stockholders of IntelGenx Technologies or at a meeting of IntelGenx Technologies stockholders or in connection with respect to all written consents sought by IntelGenx Technologies from its stockholders (the "Voting Rights"). The Voting Rights shall be and remain vested in and exercised by the Trustee. As further particularized in the Exchange and Voting Trust Agreement, the Trustee shall exercise the Voting Rights only on the basis of instructions received from the IntelGenx Principals entitled to instruct the Trustee as to the voting thereof at the time at which the stockholders meeting is held or a stockholders' consent is sought.

To the extent that no instructions are received from an IntelGenx Principal with respect to the Voting Rights to which such person is entitled, the Trustee shall not exercise or permit the exercise of such Voting Rights.

Under the terms of the Exchangeable Shares, the IntelGenx Principals will have the right to exchange the Exchangeable Shares for a corresponding number of shares of IntelGenx Technologies common stock at any time after closing of the transaction. Prior to the exercise of such exchange rights, Equity will be the owner of record of the Trust Shares and will retain power to vote the Trust Shares or grant consent in regard to any and all matters presented for approval by the holders of IntelGenx Technologies common stock. Under the terms of the Exchange and Voting Trust Agreement, Equity, in its capacity as trustee, will act in regard to such matters only in accordance with instructions given by the IntelGenx Principals, respectively. In its capacity as trustee, Equity does not have any powers of disposition over the Trust Shares except as expressly required under the Exchange and Voting Trust Agreement and the Support Agreement.

All of such Exchangeable Shares and the Trust Shares were issued pursuant to the exemptions from registration provided under National Instrument 45-106 under Canadian securities laws and will be exempt from registration under the U.S. Securities Act of 1933, as amended, pursuant to Section 4(2) of that Act and Regulation D - Rule 506 and/or Regulation S promulgated there under.

Immediately prior to closing of the Share Exchange Agreement, IntelGenx issued 3,191,489 common shares to 34 investors ("Investors") pursuant to private placement subscription agreements at an issue price of (Cdn.) $0.47 per share. At closing, all of the 3,191,489 common shares of IntelGenx held by the Investors were transferred to IntelGenx Technologies pursuant to the Share Exchange Agreement, in exchange for 3,191,489 shares of IntelGenx Technologies common stock pursuant to letters of transmittal and acceptance and powers of attorney executed by the Investors.

At closing, IntelGenx Technologies entered into a securities purchase agreement ("Caruso Securities Purchase Agreement") with Patrick J. Caruso pursuant to which we purchased from Mr. Caruso warrants to purchase 100,000 common shares of IntelGenx at (Cdn.) $0.47 per share on or before March 15, 2008 in exchange for which IntelGenx Technologies issued to Mr. Caruso warrants entitling the holder to purchase 100,000 shares of IntelGenx Technologies common stock at (Cdn.) $0.47 per share on or before April 28, 2008. Additionally, at closing, IntelGenx Technologies entered into a business consultancy agreement ("Caruso Consulting Agreement") with Mr. Caruso pursuant to which IntelGenx Technologies issued to Mr. Caruso 325,000 shares of IntelGenx Technologies common stock as a non-refundable retainer, and in full payment of investor relations services to be rendered by Mr. Caruso under the agreement.

After giving effect to the issuance of the 10,991,000 shares of IntelGenx Technologies common stock under the Share Exchange Agreement, the issuance of 3,191,489 shares of IntelGenx Technologies stock to the Investors, the issuance of 100,000 warrants of IntelGenx Technologies pursuant to the Caruso Securities Purchase Agreement and the issuance of 325,000 shares of IntelGenx Technologies common stock pursuant to the Caruso Consulting Agreement, the number of Trust Shares that will be issued to Equity as trustee for the Vendors in the aggregate will constitute 68.7% of the approximately 16 million shares of IntelGenx Technologies common stock that will be issued and outstanding. After giving effect to the issuance of the shares of IntelGenx Technologies in connection with the IntelGenx Acquisition, Horst Zerbe, Ingrid Zerbe and Joel Cohen will, pursuant to rights attached to the Exchangeable Shares to be issued to them under the Share Exchange Agreement, be entitled to acquire and beneficially own, respectively, 4,709,643, 4,709,643 and 1,571,713 shares of IntelGenx Technologies common stock constituting, respectively, 29.4%, 29.4% and 9.8% of the IntelGenx Technologies common stock that will be issued and outstanding.

Prior to the completion of the IntelGenx Acquisition and except for the Share Exchange Agreement and the transactions contemplated there under, neither IntelGenx nor the shareholders of IntelGenx were or have been engaged in any direct or indirect transaction with IntelGenx Technologies and the IntelGenx Acquisition is not considered a related party transaction.

Pursuant to the terms of the Support Agreement, the holders of the Exchangeable Shares will economically benefit to the same extent as direct shareholders of IntelGenx Technologies in the event of any dividend or other distribution.

Exchangeco shall on any day ("Redemption Date") to be determined by Exchangeco's board of directors after the tenth anniversary of the date of the IntelGenx Acquisition, redeem the then outstanding Exchangeable Shares for an amount per Exchangeable Share (the "Redemption Price") equal to (I) the current market price of an IntelGenx Technologies common share on the last business day prior to the Redemption Date (which may be satisfied in full by Exchangeco causing an instruction to be given to the Trustee to deliver, in respect of each Exchangeable Share held by each respective holder thereof, one IntelGenx Technologies common share, and obtaining written confirmation of such delivery by the Trustee), plus (ii) the unpaid dividend amount, if any, on each such Exchangeable Share held by such holder on any dividend record date which occurred prior to the Redemption Date.

The Exchangeable Shares may, at any time prior to the Redemption Date, be exchanged by any of the IntelGenx Principals in exchange for the same number of shares of IntelGenx Technologies common stock. The number of shares of IntelGenx Technologies common stock to be transferred to the holders of the Exchangeable Shares upon such exchange will be subject to corresponding adjustment in the event of any IntelGenx Technologies securities dividend, forward split, reverse split, or similar event. The holders of the Exchangeable Shares will also benefit to an identical extent as all other IntelGenx Technologies shareholders in the event of a tender offer or other similar transaction.

All IntelGenx Technologies events related to payment of dividends, redemption or purchase or any capital distribution in respect of IntelGenx Technologies common shares or any shares other than the Exchangeable Shares, redemption or purchase of any shares other than the Exchangeable Shares, or issuance of any other exchangeable shares, shall in each case be subject to approval by holders of not less than 66.6% of then-outstanding Exchangeable Shares. In addition, IntelGenx Technologies must obtain the same consent prior to any action to re-classify, subdivide, re-divide or make any similar change to the outstanding shares of IntelGenx Technologies, or effect an amalgamation, merger, reorganization or other transaction affecting the IntelGenx Technologies shares of common stock.

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

The following information should be read in conjunction with the audited annual financial statements and notes for the year ended December 31, 2005 and the financial statements for the three and six month periods ended June 30, 2006 and notes thereto appearing elsewhere in this Prospectus. On August 10, 2006, pursuant to a vote by our shareholders, we changed our corporate name from Big Flash Corp. to IntelGenx Technologies Corp. Unless otherwise indicated or the context otherwise requires, the "Company" we," "us," and "our" and "Intelgenx" refer to IntelGenx Technologies Corp. and its subsidiaries including IntelGenx Corp.

Overview

Company Background

IntelGenx is a drug delivery company established in 2003 and headquartered in Montreal, Quebec, Canada, which focuses on the development of novel oral immediate-release and controlled-release products for the generic pharmaceutical market. IntelGenx's business strategy is to develop pharmaceutical products based on its proprietary drug delivery technologies and then license commercial rights for such products to pharmaceutical partners once the viability of a product has been demonstrated. We expect a partner company will, in some cases, fund development of the licensed products, complete the Food and Drug Administration ("FDA") regulatory approval process relating to the licensed products, and assume responsibility for marketing and distributing such products.

In addition, the Company anticipates that it may undertake full development of certain products without seeking a partner until the product reaches the marketing and distribution stage. The Company will assess the potential for successful development of a product and associated costs, and then determine at which stage it is most prudent to seek a partner, balancing such costs against the potential for additional returns earned by partnering later in the development process.

The Company has also undertaken a strategy under which it will work with pharmaceutical companies in order to develop new dosage forms in addition to already existing ones for pharmaceutical products for which patent protection is about to expire. Under §(505)(b)(2) of the Food, Drug & Cosmetics Act, FDA will grant a market exclusivity of up to three years for such a new dosage form. The Company anticipates significant returns from successfully obtaining market exclusivity in this manner.

The Company is currently continuing to develop the existing products in its pipeline and may also perform research and development on other potential products as the opportunities present themselves.

The Company does not currently plan to acquire a manufacturing facility. The Company currently purchases and or leases, on an as-needed basis, the equipment necessary for performing research and development activities related to its products.

The Company will hire new personnel, primarily in the area of research and development, on an as-needed basis as the Company enters into partnership agreements and increases its research and development activities.

Recent Developments

On April 28, 2006, the Company entered into a Share Exchange Agreement, whereby the Company, (through its wholly-owned subsidiary 6544361 Canada, Inc., a Canadian company) acquired 100% of the issued and outstanding common stock and warrants of IntelGenx Corp., a Canadian corporation . Pursuant to the Share Exchange Agreement, and several separate related agreements, the Company issued, as consideration for the IntelGenx Corp. common stock, 14,507,489 shares of the Company's common stock to various shareholders of IntelGenx Corp., along with 100,000 common stock purchase warrants to an IntelGenx Corp. shareholder. The warrants granted are exercisable at $0.41 per share of common stock, and expire on April 28, 2008. Upon completion of the acquisition, the total shares of common stock issued by the Company pertaining to the acquisition of IntelGenx Corp. constituted 68.7% of the 16,007,489 shares of common stock of the Company then outstanding. Following the completion of the acquisition, IntelGenx Corp. continued its operations as a controlled subsidiary of the Company.

Since we did not have any substantial assets or operations during the two fiscal years prior to the Intelgenx Corp. Acquisition, Intelgenx Corp. is deemed to be the accounting acquirer of Intelgenx Technologies Corp. and the discussion of operations below relate to the operations of Intelgenx Corp.

Results of Operations six month period ended June 30, 2006 compared to the six month period ended June 30, 2005.

		2006		2005		Increase/ (Decrease)	Percentage Change
Revenue	$	188,686	$	0	$	188,686	%
Research and development		239,701		35,171		204,530	582%
General and Administrative		76,377		35,327		41,050	116%
Interest and financing fees		27,877		3,574		24,303	680%
Net income (loss)		(127,577)		(51,271)		76,306	149%

Revenue

Our revenues from R&D services provided are $188,686 for the first two quarters of 2006,compared to $0 for the same period in 2005. Management believes that we may begin to realize increased sales revenues by early 2007.

General and Administrative

General administrative expenses increased by $41,050 (116%) from $35,327 for the six month period ended June 30, 2005 to $76,377 for the six month period ended June 30, 2006. The increase is attributed to an increase in corporate operations.

Research and development

Costs related to research and development increased from $35,171 in the six month period ended June 30,2005 to $239,701 for the same period in 2006, which reflects the commencement of some projects with certain partners started in 2005 and 2006. Management believes that with funding provided by the private placement of common stock (See "Business Recent Developments"), research and development expenses will increase significantly during the remainder of 2006 and into 2007.

Interest Expense

We incurred interest and financing fee expenses of $27,877 in the six month period ended June 30, 2006 compared to $3,574 for the same period in 2005. Included in the interest expense for the first six month of 2006 are $19,420 representing the value of 100,000 warrants issued as a non-cash financing fee payment for a bridge loan. Since the loan was received and repaid in the first six month of this year and the warrants are a one time expense, Management expects the interest expense to be significantly lower for the rest of 2006.

Net Loss

We recorded a net loss of $127,577 in the six month period ended June 30, 2006 compared to a net loss of $51,271 for the same period in 2005. Management believes that we will continue to operate at a net loss until such time as we can complete our business development efforts and begin to realize increased sales revenues by early 2007.

Income tax Losses

We have approximately $100,000 of Canadian and provincial income tax losses as of December 31, 2005, which may be carried forward and offset against taxable income in future years. The use of these losses to reduce future income taxes will depend on the generation of sufficient taxable income prior to the expiration of the carryforwards after the year 2015. In the event of certain changes in control, there will be an annual limitation on the amount of the income tax losses carryforwards which can be used. No tax benefit regarding these losses has been reported in the financial statements for the year ended December 31, 2005 nor for the six month ended June 30, 2006 because management believes there is a 50% or greater chance that the carryforward will not be used. Accordingly, the potential tax benefit of the loss carryforward is offset by a valuation allowance of the same amount.

Prepaid Expenses

At June 30, 2006 our Balance Sheet shows prepaid expenses of $136,569 compared to $3,186 for the same period in 2005. The increase is due to the issuance of 325,000 shares in consideration of investor relations services to be rendered.

Results of Operations Year Ended December 31, 2005 Compared to Year Ended December 31, 2004

	2005	2004	Increase/ (Decrease)	Percentage Change
Revenue	$ 19,168	$ 257,374	$ (238,206)	93%
Research and development	91,969	131,547	(39,578)	30%
General and Administrative	74,555	39,763	34,792	88%
Interest expense	7,719	2,508	5,211	208%
Net income (loss)	(125,520)	99,006	(224,526)	227%

Revenue

We are still developing our platform technologies and related products and as such, have not realized significant revenues to date, except for $19,168 in 2005 and $257,374 in 2004, from R&D services provided. Management believes that we may begin to realize sales revenues by early 2007.

General and Administrative

General administrative expenses increased by $34,792 (88%) from $39,763 for the year ended December 31, 2004 to $74,555 for the year ended December 31, 2005. The increase is attributed to an increase in corporate operations.

Research and development

Costs related to research and development decreased from $131,547 in 2004 to $91,969 in 2005, which reflects the discontinuation of some projects started in 2004. Management believes that research and development expenses will increase significantly during the remainder of 2006 and into 2007.

Interest Expense

We incurred interest expense of $2,508 in 2004 compared to $7,719 in 2005. The increase in interest expense is due to an increase in long term debt related to the acquisition of equipment. Management believes that interest expense will continue to increase in 2006 compared to 2005 due to an increase in long-term debt related to the purchase of equipment.

Net Income (Loss)

We recorded a net loss of $125,520 in 2005 compared to net earnings of $99,006 in 2004. Management believes that we will continue to operate at a net loss until such time as we can complete our business development efforts and begin to realize increased sales.

Income tax Losses

We have approximately $100,000 of Canadian and provincial income tax losses as of December 31, 2005, which may be carried forward and offset against taxable income in future years. The use of these losses to reduce future income taxes will depend on the generation of sufficient taxable income prior to the expiration of the carry forwards after the year 2015. In the event of certain changes in control, there will be an annual limitation on the amount of the income tax losses carry forwards which can be used. No tax benefit has been reported in the financial statements for the year ended December 31, 2005 because management believes there is a 50% or greater chance that the carry forward will not be used. Accordingly, the potential tax benefit of the loss carry forward is offset by a valuation allowance of the same amount.

Liquidity and Capital Resources

At June 30, 2006, we had cash on hand of $607,521. We also had accounts receivable of $136,306, income taxes recoverable of $9,794 and investment tax credits receivable of $95,748.

At June 30, 2006, we had accounts payable and accrued liabilities of $72,671, of these liabilities, approximately $25,500 was payable to shareholders. Our current portion of the long term debt was $12,543.

At June 30, 2006, we had an operating line of credit in place with a maximum of $45,000 of which $0 was borrowed.

We believe that the proceeds of the private placement completed on April 28, 2006, in the amount of approximately 900,000 net of transactions cost, will be sufficient to satisfy cash requirements for the next 12 - 18 months.

At June 30, 2006, we had total assets of $1,155,348 and shareholders' equity of $891,975.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The financial statements include estimates based on currently available information and management's judgment as to the outcome of future conditions and circumstances.

Changes in the status of certain facts or circumstances could result in material changes to the estimates used in the preparation of the financial statements and actual results could differ from the estimates and assumptions.

Revenue Recognition

The Company recognizes revenue from development contracts as the contracted services are performed or when milestones are achieved, in accordance with the terms of the specific agreements. Amounts received in advance of recognition, if any, are included in deferred income.

Financial Instruments

The Company estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value. It is not practical to determine the fair value of the amounts due from related parties due to their related party nature and the absence of a market for such instruments.

Accounts Receivable

The Company accounts for trade receivables at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions. The Company writes off trade receivables when they are deemed uncollectible. The Company records recoveries of trade receivables previously written-off when they receive them. Management considers the reserve for doubtful accounts of $Nil to be adequate to cover any exposure to loss in its December 31, 2005 and December 31, 2004 accounts receivable.

Investment Tax Credits

Investment tax credits relating to qualifying expenditures are recognized in the accounts at the time at which the related expenditures are incurred and there is reasonable assurance of their realization. Management has made estimates and assumptions in determining the expenditures eligible for investment tax credits claimed.

Amortization

On the declining balance method -

Computer equipment

30%

Laboratory and office equipment

20%

On the straight-line method -

Leasehold improvements

5 years

Impairment of Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the estimated undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value thereof.

Foreign Currency Translation

The Company's reporting currency is the United States dollar. The Canadian dollar is the functional currency of the Company's Canadian operations which is translated to the United States dollar using the current rate method. Under this method, accounts are translated as follows:

Assets and liabilities - at exchange rates in effect at the balance sheet date;

Revenue and expenses - at average exchange rates prevailing during the year.

Gains and losses arising from foreign currency translation are included in other comprehensive income.

Security-Based Compensation

In determining the value of share-based payments/warrants, the company must make estimates of the fair value of the common shares at the grant date (when no quoted prices are available) and, when using the Black-Scholes model to determine the grant date fair value of options and warrants, of the period in which the holder will exercise the option and the volatility of the company's share price over that same period. Different estimates would result in different amounts of compensation being recorded in the financial statements.

MANAGEMENT

The following table sets forth certain information regarding our directors, executive officers, promoters and control persons as of August 30, 2006.

Directors and Executive Officers

The following table identifies our directors and executive officers as of August 30, 2006.

Name	Age	Position
Horst Zerbe	59	Chairman of the Board, President and Chief Executive Officer
Joel Cohen (1)	34	Director and Chief Financial Officer
Ingrid Zerbe (3)	52	Secretary and Director of Finance and Administration
J. Bernard Boudreau (1) (2)	61	Director
David Coffin-Beach (2)	58	Director
Reiza Rayman (1) (2)	43	Director

(1) Audit Committee member
(2) Compensation Committee member
(3) Mrs. Zerbe served as a director of the Company commencing on April 28, 2006 and pursuant to the Company's annual meeting of shareholders held on August 10, 2006, ceased to be a director of the Company.

All directors hold office until the next annual meeting of stockholders and until their successors have been duly elected and qualified. There are no agreements with respect to the election of directors. We have not compensated our directors for service on the board of directors or any committee thereof, but directors are entitled to be reimbursed for expenses incurred for attendance at meetings of the board and any committee of the board. As of the date hereof, no director has accrued any expenses or compensation. Officers are appointed annually by the board and each executive officer serves at the discretion of the board.

Horst G. Zerbe, PhD

Dr. Zerbe has more than 20 years experience in the pharmaceutical industry. He has been the President and Chief Executive Officer of IntelGenx since 2005; prior thereto, from 1998 to 2005, he served as the president of Smartrix Technologies Inc. in Montreal; prior thereto, from 1994 to 1998, he was Vice President of R&D at LTS Lohmann Therapy Systems in West Caldwell, NJ. He has published numerous scientific papers in recognized journals and holds over 30 patents.

Joel Cohen, CFA

Mr. Cohen has extensive experience in biotechnology and high tech financings and in financial analysis. From 2002 until present, Mr. Cohen has been consulting CFO for Osta Biotechnologies a publicly traded company on the TSX venture. From 1999 to 2002, Mr. Cohen was an investment banker at Canaccord Capital Corporation, where he specialized in biotechnology financings. He has worked on numerous IPOs and private and public financings worth over $100 million for various companies including Neurochem, Adherex, Bioniche, Diagnocure, Qbiogene and Aeterna. Mr. Cohen holds a Bachelor of Commerce degree in Finance from Concordia University and is a Chartered Financial Analyst.

J. Bernard Boudreau Sr. VP, PharmEng Inc.

Mr. Boudreau has a distinguished record as a lawyer, businessman and public figure. His litigation experience includes successful appearances at every level of the judicial system in Nova Scotia. He was appointed as Queen's Counsel in 1985. Mr. Boudreau was first elected to the provincial legislature of Nova Scotia in 1988. He served as Chair of the Public Accounts Committee and opposition critic for Finance and Economic Development. In 1993 he was re-elected as a member

of government and held responsibilities as Minister of Finance, Minister of Health, Chair of the Cabinet Priorities and Planning Committee.

David Coffin-Beach, Ph.D.

Since January 1, 2005, Dr. Coffin-Beach has been serving as President of ATP Solutions, a privately held consulting firm which specializes in delivering strategic, technical, marketing and management services to pharmaceutical manufacturers and investors. Dr. Coffin-Beach is the former President and Board Member of TorPharm (1994 - 2004), the U.S. division of Apotex Inc. During his tenure as President and CEO, the company grew from start-up to over $400 million in revenue and 1,000+ employees. Prior to that, Dr. Coffin-Beach held various positions at Schering-Plough Corporation ending with the position of Associate Director. Prior to that, Dr. Coffin-Beach took a position as Director of Research at Superpharm Corporation, a Division of Goldline Laboratories, where he was in charge of all research and development of generic products which resulted in ten new ANDA products being filed for the company during his tenure. Prior to that, Dr. Coffin-Beach joined DuPont Pharmaceuticals as a senior scientist and among other accomplishments, was a key participant in the design and qualification of a new pharmaceutical research facility in Wilmington, Delaware. He also was a co-inventor on two U.S. patents

Dr. Coffin-Beach received his BS in Pharmacy from Union University, Albany College of Pharmacy, Schenectady, N.Y. and practiced both community and clinical pharmacy before returning for graduate studies at the University of Maryland in Baltimore to finish graduate school with a PhD in Pharmaceutics.

Dr. Reiza Rayman

Currently, Dr. Rayman is pursuing a PhD in the area of Tele-surgery. From 2000 until 2005, Dr. Rayman was serving as Principal Investigator, Robotic Tele-surgery and Hybrid Cardiac Surgery, CSTAR, and Assistant Professor, Department of Surgery, at the University of Western Ontario. On September 1999, Dr. Rayman in collaboration with Dr. Doug Boyd, performed the world's first robotic beating heart cardiac bypass surgery. He holds an MSc (biophysics) from the University of Western Ontario and an MD from the University of Toronto. Dr. Rayman is currently completing his PhD in Medical Biophysics.

Key Personnel and Consultants

Ingrid Zerbe

Mrs. Zerbe is founder of IntelGenx. She holds a bachelor degree in economics from the business school in Bottrop, Germany, and bachelor degree in social sciences from the University of Dortmund, Germany. Mrs. Zerbe served as president of IntelGenx since its incorporation until December, 2005. Prior to founding IntelGenx, she worked in the travel industry.

Pompilia Szabo, PhD

Dr. Szabo serves as IntelGenx's Director of Research and Development and is a recognized scientist with 10 years experience in the pharmaceutical industry and academia. Prior to joining IntelGenx in 2005, she served as Director of R&D at Smartrix Technologies from 2000 to 2005.

Nadine Paiement, MSc

Ms. Paiement serves as IntelGenx.'s Head of Formulation. She holds a M.Sc. degree in Polymer Chemistry from Sherbrooke University, and is co-inventor of IntelGenx's Tri-Layer technology. Prior to joining IntelGenx, she worked for five years as a formulation scientist at Smartrix Technologies, Inc.

EXECUTIVE COMPENSATION

We have not had a bonus, profit sharing, or deferred compensation plan for the benefit of employees, officers or directors and have not paid any salaries or other compensation to officers, directors or employees for the years ended December 31, 2005, 2004 and 2003.

There were no options/SAR grants in 2005. As of the end of 2005, no options/SAR were outstanding.

Director Compensation

At present, directors are not compensated for attending meetings of the board of directors or other committee meetings.

Employment Agreements

Horst Zerbe. As of December 1, 2005, we entered into an employment agreement with Dr. Horst Zerbe, our President and Chief Executive Officer. The agreement is for an indefinite period of time. Under the agreement, Dr. Zerbe is entitled to receive: (1) a minimum base salary of $157,657 per year; (2) an annual bonus equal to 50% of base salary upon the performance of certain milestones set out by the board of directors; and (3) other benefits in the amount of $13,513.

Joel Cohen. As of December 1, 2005, we entered into a consulting agreement with Mr. Joel Cohen, our Executive Vice President and Chief Financial Officer. The agreement is for an indefinite period of time. Under the agreement, Mr. Cohen is entitled to receive: (1) a minimum base consulting fee of $54,000 per year; and (2) an annual bonus equal to 50% of base salary upon the performance of certain milestones set out by the board of directors.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

On May 26, 2006, Joel Cohen our Director and Chief Financial Officer, received consulting fees from IntelGenx (our wholly owned subsidiary) of $95,000 for consulting work performed for IntelGenx in connection with IntelGenx's private placement and our acquisition of IntelGenx. See "Business-Recent Developments".

PLAN OF DISTRIBUTION

We are registering the common stock on behalf of the above selling stockholders. As used in this prospectus, the term "selling stockholders" includes pledgees, transferees or other successors-in-interest selling shares received from the selling stockholders as pledgors, assignees, borrowers or in connection with other non-sale-related transfers after the date of this prospectus. This prospectus may also be used by transferees of the selling stockholders, including broker-dealers or other transferees who borrow or purchase the shares to settle or close out short sales of shares of common stock. The selling stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale or non-sale related transfer. We will not receive any of the proceeds of sales by the selling stockholders.

We expect that the selling stockholders will sell their shares, at such time as a public market develops for our common shares, primarily through sales into the over the counter market made from time to time at prevailing market prices. The common stock may be sold by the selling stockholders from time to time in one or more transactions at or on any stock exchange, market or trading facility on which shares are traded in the future or in private transactions. Sales may be made at fixed or negotiated prices, and may be effected by means of one or more of the following transactions (which may involve cross or block transactions):

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;

- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales;
- transactions in which broker-dealers may agree with one or more selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise; or
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares under Rule 144 of the Securities Act, if available, rather than under this prospectus. To the extent required, this prospectus may be amended and supplemented from time to time to describe a specific plan of distribution.

Broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchase of shares, from the purchaser) in amounts to be negotiated. The selling stockholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved.

In connection with sales of common stock or interests therein, the selling stockholders may enter into hedging

transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of common stock short and deliver these shares to close out those short positions, or lend or pledge common stock to broker-dealers that in turn may sell such securities. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions for the creation of one or more derivative securities requiring the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus, as supplemented or amended to reflect such transaction.

The selling stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be "underwriters" within the meaning of the Securities Act and any profit on the sale of such securities and any discounts, commissions, concessions or other compensation received by any such underwriter, broker-dealer or agent may be deemed to be underwriting discounts and commissions under the Exchange Act. The selling stockholders have informed us that they do not have any agreement or understanding, directly or indirectly, with any person to distribute the common stock.

Pursuant to registration rights agreements with the selling stockholders, all fees and expenses incurred by us incident to the registration of the common stock will be paid by us, including, without limitation, SEC filing fees. Those selling stockholders will be indemnified by us against certain losses, claims, damages and liabilities, including certain liabilities under the Securities Act. We will be indemnified by those selling stockholders severally against certain civil liabilities, including certain liabilities under the Securities Act, or will be entitled to contribution in connection therewith.

The selling stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations there under, which provisions may limit the timing of purchases and sales of common stock by them. The foregoing may affect the marketability of such securities.

To comply with the securities laws of certain jurisdictions, if applicable, the common stock will be offered or sold in such jurisdictions only through registered or licensed brokers or dealers.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of August 30, 2006 with respect to the beneficial ownership of our common stock, after giving effect to our acquisition of IntelGenx, by (i) each stockholder known to be the beneficial owner of more than 5% of our common stock, (ii) by each of our directors and executive officers, and (iii) all of our directors and executive officers as a group. The address of each person listed below, unless otherwise indicated, is c/o IntelGenx Corp., 6425 Abrams, Saint-Laurent, Quebec H4S 1X9. Unless otherwise indicated in the table footnotes, shares will be owned of record and beneficially by the named person. For purposes of the following table, a person is deemed to be the beneficial owner of any shares of common stock (a) over which the person has shares, directly or indirectly, voting or investment power, or (b) of which the person has a right to acquire beneficial ownership at any time within 60 days after the effective time of the acquisition of IntelGenx. "Voting power" is the power to vote or direct the voting of shares and "investment power" includes the power to dispose or direct the disposition of share.

Name and Address of Beneficial Owner	**Number of Shares (1)**	**Percent (1)**	
Horst Zerbe (2)	4,709,643.5	29.4	%
Ingrid Zerbe (2)	4,709,643.5	29.4	%
Joel Cohen (2)	1,571,713	9.8	%
David Coffin-Beach	53,191	Nil	%
Reiza Rayman	53,191	Nil	%
J. Bernard Boudreau	Nil	Nil	%
All directors and executive officers as a group (5 persons)	6,387,738.5	39.9	%

(1) Based on 16,007,489 shares outstanding following the IntelGenx Acquisition

(2) The shares indicated are Exchangeable Shares in the capital stock of 6544631 Canada Inc., a Canadian special purpose corporation which wholly owns IntelGenx as a result of the completion of the Share Exchange Agreement. The Exchangeable Shares are exchangeable for 10,991,000 shares of IntelGenx Technologies common stock currently held by Equity Transfer Services Inc., as trustee. Please see "Business - Recent Developments".

DESCRIPTION OF CAPITAL STOCK

We have an authorized capital of 20,000,000 shares of common stock, par value $0.00001 per share, and 20,000,000 shares of preferred stock, par value $0.00001 per share. As of August 30, 2006, 16,007,489 shares of common stock were outstanding, held of record by 72 persons

Common Stock

The holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including the election of directors. Except as otherwise required by law, the holders of common stock exclusively possess all voting power. The holders of common stock are entitled to dividends as may be declared from time to time by the Board from funds available for distribution to holders. No holder of common stock has any preemptive right to subscribe to any securities of ours of any kind or class or any cumulative voting rights. The outstanding shares of common stock are, and the shares, upon issuance and sale as contemplated will be, duly authorized, validly issued, fully paid and non assessable.

DISCLOSURE OF COMMISSION POSITION

ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Our articles of incorporation provide that none of our directors will be personally liable to the Company or any of our shareholders for monetary damages arising from the director's breach of fiduciary duty as a director, with certain limited exceptions.

Pursuant to Delaware corporation law, every Delaware corporation has the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation or is or was serving in such a capacity at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise, against any and all expenses, judgments, fines and amounts paid in settlement and reasonably incurred in connection with such action, suit or proceeding. The power to indemnify applies only if such person acted in good faith and in a manner such person reasonably believed to be in the best interests, or not opposed to the best interests, of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

The power to indemnify applies to actions brought by or in the right of the corporation as well, but only to the extent of defense and settlement expenses and not to any satisfaction of a judgment or settlement of the claim itself, and with the further limitation that in such actions no indemnification shall be made in the event of any adjudication of negligence or misconduct unless the court, in its discretion, believes that in light of all the circumstances indemnification should apply. Our articles of incorporation contain provisions authorizing it to indemnify our officers and directors to the fullest extent permitted by Delaware corporation law.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or controlling persons pursuant to the foregoing provisions or otherwise, the Company has been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, suit or proceeding) is asserted by one of our directors, officers, or controlling persons in connection with the securities being registered, we will, unless in the opinion of our legal counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

LEGAL MATTERS

Hodgson Russ LLP, 150 King Street West, Suite 2309 Toronto, Ontario M5H 1J9 Canada will opine on the validity of the common stock offered in this prospectus.

EXPERTS

IntelGenx Technologies' financial statements for the years ended as of December 31, 2005 and 2004 have been included in reliance upon the report of Chisholm, Bierwolf & Nilson LLC and upon the authority of said firm as experts in accounting and auditing.

IntelGenx' financial statements for the years ended as of December 31, 2005 and 2004 have been included in reliance upon the report of RSM Richter and upon the authority of said firm as experts in accounting and auditing.

CHANGE OF ACCOUNTANTS

On June 15, 2006, our Board of Directors determined that we would change our certifying accountant and auditor to IntelGenx's auditor, RSM Richter, of Montreal, Quebec. On June 15, 2006, we orally notified and dismissed our prior auditor, Chisholm, Bierwolf & Nilson LLC of Bountiful, Utah. IntelGenx previously engaged RSM Richter on December 1, 2005 to audit its financial statements for the fiscal years ended December 31, 2004 and 2005.

The Chisholm, Bierwolf & Nilson LLC report on our financial statements for each of the fiscal years ended December 31, 2004 and 2005 did not contain any adverse opinion or disclaimer of opinions, and were not modified as to uncertainty, audit scope or accounting principles, other than an explanatory paragraph regarding the substantial doubt about our ability to continue as a going concern.

Neither we nor anyone on our behalf consulted with RSM Richter with respect to any of the matters set forth in Item 304(a)(2)(i) or (ii) of Regulation S-B, during our fiscal years ended December 31, 2004 or 2005 or during the subsequent interim period through March 31, 2006 preceding the dismissal of Chisholm, Bierwolf & Nilson LLC.

None of the reportable events listed in Item 304(a)(1)(iv)(B) of Regulation S-B occurred with respect to our fiscal years ended December 31, 2004 and 2005 or the subsequent interim period through March 31, 2006 preceding the dismissal of Chisholm, Bierwolf & Nilson LLC.

At no time during our fiscal years ended December 31, 2004 and 2005, or during the subsequent interim period through March 31, 2006, were there any disagreements with Chisholm, Bierwolf & Nilson LLC. on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure. Any such disagreements, if not resolved to the satisfaction of Chisholm, Bierwolf & Nilson LLC., would have caused Chisholm, Bierwolf & Nilson LLC. to reference the subject matter of the disagreements in its reports on our financial statements.

We provided Chisholm, Bierwolf & Nilson LLC with a copy of our Form 8-K/A-1 announcing our change in certifying accountant prior to filing it with the SEC on June 21, 2006 and requested a response thereto from Chisholm, Bierwolf & Nilson LLC.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file reports, proxy statements and other information with the Securities and Exchange Commission, or SEC. We have also filed a registration statement on Form SB-2 (Commission File No. 333135591-), including exhibits, with the SEC with respect to the stock offered by this prospectus. This prospectus is part of the registration statement, but does not contain all of the information included in the registration statement or exhibits. You may read and copy the registration statement and these reports, proxy statements and other information at the SEC's Public Reference Room at 100 F Street, N.E. Washington DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. The SEC maintains an internet site at http://www.sec.gov that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC, including our company.

This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to us and the shares of stock offered under this prospectus, reference is made to the registration statement, including the exhibits and schedules thereto. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete and, where any such contract or document is an exhibit to the registration statement, each statement with respect to the contract or document is qualified in all respects by the provisions of the relevant exhibit, which is hereby incorporated by reference.

We make available free of charge on or through our internet website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file this material with, or furnish it to, the SEC. Our Internet address is http://www.Intelgenx.com. The information contained on our website is not incorporated by reference in this prospectus and should not be considered a part of the prospectus.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors Big Flash Corporation

(A Development Stage Company) Salt Lake City, UT

We have audited the accompanying balance sheet of Big Flash Corporation (a Development Stage Company) as of December 31, 2005 and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2005 and 2004. These statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the PCAOB (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. And audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Big Flash Corporation (a Development Stage Company) as of December 31, 2005 and the results of its operations and its cash flows for the years ended December 31, 2005 and 2004 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has sustained recent losses from operations, has a deficit in working capital and a stockholders' deficit. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Chisholm, Bierwolf & Nilson, LLC

Bountiful, Utah

February 22, 2006

BIG FLASH CORPORATION
(A Development Stage Company)

Balance Sheets

ASSETS

		December 31, 2005
CURRENT ASSETS		
Cash	$	--
Total Current Assets		--
TOTAL ASSETS	$	--

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Accounts payable	$	350
Due to stockholder		20,149
Accrued interest - stockholder		1,513
Total Current Liabilities		22,012
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock;20,000,000 shares authorized, at $0.00001 par value, 1,500,000 shares issued and outstanding		15
Additional paid-in capital		985
Deficit accumulated during the development stage		(23,012)
Total Stockholders' Equity (Deficit)		(22,012)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$	--

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

BIG FLASH CORPORATION
(A Development Stage Company)

Statements of Operations

	For the Years Ended December 31, 2005	2004	From Inception on July 27, 1999 Through December 31, 2005
REVENUES	$ --	$ --	$ --
EXPENSES			
General and Administrative	9,906	7,545	21,498
Total Expenses	9,906	7,545	21,498
LOSS FROM OPERATIONS	(9,906)	(7,545)	(21,498)
OTHER EXPENSES			
Interest Expense	(1,217)	(297)	(1,514)
Total Other Expenses	(1,217)	(297)	(1,514)
NET LOSS	$ (11,123)	$ (7,842)	$ (23,012)
BASIC LOSS PER SHARE	$ (0.01)	$ (0.01)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,500,000	1,500,000	

The accompanying notes are an integral part of these financial statements

BIG FLASH CORPORATION
(A Development Stage Company)

Statements of Stockholders' Equity (Deficit)

	common Stock		Additional Paid-In	Stock Subscription	Accumulated During the Development
	Shares	Amount	Capital	receivable	Stage
Balance at inception on July 27, 1999	--	$ --	$ --	$ --	$ --
Common stock issued for cash on September 8, 1999 at $0.0003 per share		1,500,000	15	485	(500)
Net loss from inception on July 27, 1999 through December 31, 1999	--	--	--	--	--
Balance, December 31, 1999	1,500,000	15	485	(500)	--
Net loss for the year ended December 31, 2000	--	--	--	--	(2,503)
Balance, December 31, 2000	1,500,000	15	485	(500)	(2,503)
Cash received on stock subscription receivable	--	--	--	500	--
Net loss for the year ended December 31, 2001	--	--	--	(1,086)	
Balance, December 31, 2001	1,500,000	15	485	--	(3,589)
Net loss for the year ended December 31, 2002	--	--	--	--	(350)
Balance, December 31, 2002	1,500,000	15	485	--	(3,939)
Net loss for the year ended December 31, 2003	--	--	--	--	(108)
Balance, December 31, 2003	1,500,000	15	485	--	(4,047)
Net loss for the year ended December 31, 2004	--	--	--	--	(7,842)
Balance, Deccember 31, 2004	1,500,000	15	485	--	(11,889)

Services contributed by shareholder	--		--		500		--		--
Net loss for the year ended December 31, 2005	--		--		--		--		(11,123)
Balance, December 31, 2005	1,500,000	$	15	$	985	$	--	$	(23,012)

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

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BIG FLASH CORPORATION
(A Development Stage Company)

Statements of Cash Flows

For the	From Inception on Years Ended December 31, 2005	2004	July 27, 1999 Through December 31, 2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (11,123)	$ (7,842)	$ (23,012)
Adjustments to reconcile net loss to net cash used by operating activities:			
Impairment loss on mining claims	--	--	--
Common stock issued for services	--	--	--
Contributed services by shareholder	500	--	500
Changes in operating assets and liabilities			
Decrease in prepaid expenses	--	--	--
Increase in accounts payable	(1,875)	2,224	349
Increase in due to stockholder	12,498	5,618	21,663
Net Cash Used by Operating Activities	--	--	(500)
CASH FLOWS FROM INVESTING ACTIVITIES	--	--	--
CASH FLOWS FROM FINIANCING ACTIVITIES			
Sale of common stock	--	--	500
Net Cash Provided by Financing Activities	--	--	500
NET DECREASE IN CASH	--	--	--
CASH AT BEGINNING OF PERIOD	--	--	--
CASH AT END OF PERIOD	$ --	$ --	$ --
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
CASH PAID FOR:			
Interest	$ --	$ --	$ --
Income Taxes	$ --	$ --	$ --

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

BIG FLASH CORPORATION

(A Development Stage Company)

Notes to the Financial Statements

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Business and Organization

Big Flash Corporation (The Company) was organized on July 27, 1999, under the laws of the State of Delaware. Pursuant to Statement of Financial Accounting Standards No. 7, "Accounting and Reporting by Development Stage Enterprises," the Company is classified as a development stage company. The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year-end.

b. Revenue Recognition

The Company currently has no source of revenues. Revenue recognition policies will be determined when principal operations begin.

c. Basic Loss Per Share

The computation of basic loss per share of common stock is based on the weighted average number of shares outstanding during the period.

	For the Years Ended December 31,			
		2005		2004
Loss (numerator)	$	(11,123)	$	(7,842)
Shares (denominator)		1,500,000		1,500,000
Per share amount	$	(0.01)	$	(0.01)

d. Provision for Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will to be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net deferred tax assets consist of the following components as of December 31, 2005 and 2004:

		2005		2004
Deferred tax assets:				
NOL carryover	$	23,012	$	11,889
Valuation allowance		(23,012)		(11,889)
Net deferred tax asset	$	--	$	--

BIG FLASH CORPORATION

(A Development Stage Company)

Notes to the Financial Statements

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Provision for Taxes (Continued)

The income tax provision differs from the amount of income tax determined by applying the U.S. federal and state income tax rates of 34% to pretax income from continuing operations for the years ended December 31, 2005 and 2004 due to the following:

		2005		2004
Book Income	$	(4,338)	$	(2,556)
Valuation allowance		4,338		2,556
	$	--	$	--

At December 31, 2005, the Company had net operating loss carry forwards of approximately $23,012 that may be offset against future taxable income through 2025. No tax benefit has been reported in the December 31, 2005

financial statements since the potential tax benefit is offset by a valuation allowance of the same amount. Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

e. Cash and Cash Equivalents

For purposes of financial statement presentation, the Company considers all highly liquid investments with a maturity of three months or less, from the date of purchase, to be cash equivalents

f. Use of Estimates

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

g. Newly Issued Accounting Pronouncements

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" which is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. This statement amends and clarifies financial accounting for derivative instruments embedded in other contracts (collectively referred to as derivatives) and hedging activities under SFAS 133. The adoption of SFAS No. 149 did not have a material effect on the financial statements of the Company.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" (SFAS 150"). SFAS 150 addresses certain financial instruments that, under previous guidance, could be accounted for as equity, but now must be classified as liabilities in statements of financial position. These financial instruments include: (i) mandatory redeemable financial instruments, (ii) obligations to repurchase the issuer's equity shares by transferring assets, and (iii) obligations to issue a variable number of shares. SFAS 150 is generally effective for all financial

instruments entered into or modified after May 31, 2003, and otherwise effective at the first interim period beginning after June 15, 2003. The adoption of SFAS 150 did not have any impact on the Company's financial position or Statement of Operations.

BIG FLASH CORPORATION

(A Development Stage Company)

Notes to the Financial Statements

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Newly Issued Accounting Pronouncements (Continued)

In January 2003, and revised in December 2003, the FASB issued FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). This interpretation of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," addresses consolidation by business enterprises of variable interest entities, which possess certain characteristics. FIN 46 requires that if a business enterprise has a controlling financial interest in a variable interest entity, the assets, liabilities, and results of the activities of the variable interest entity must be included in the consolidated financial statements with those of the business enterprise. FIN 46 applies immediately to variable interest entities created after January 31, 2003 and to variable interest entities in which an enterprise obtains an interest after that date. The consolidation requirements apply to older entities in the first fiscal year or interim period after June 15, 2003. The adoption of the effective provisions of Interpretation 46 did not have any impact on the Company's financial position or statement of operations.

In November 2004, the FASB issued FAS 151 "Inventory Costs" This Statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that ". . . under some circumstances, items such as idle facility expense, excessive spoilage, double freight, and rehandling costs may be so abnormal as to require treatment as current period charges. . . ." This Statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This pronouncement is effective for periods beginning after June 15, 2005. The adoption of this pronouncement did not have any impact on the Company's financial position or statement of operations.

In December 2004, the FASB issued FAS 152-"Accounting for Real Estate Time-Sharing Transactions" This Statement amends FASB Statement No. 66, Accounting for Sales of Real Estate, to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, Accounting for Real Estate Time-Sharing Transactions. This Statement also amends FASB

Statement No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects, to state that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2. This Statement is effective for financial statements for fiscal years beginning after June 15, 2005. The adoption of this pronouncement did not have any impact on the Company's financial position or statement of operations.

In December 2004, the FASB issued FAS 153-"Exchanges of Nonmonetary Assets". The guidance in APB Opinion

No. 29, Accounting for Nonmonetary Transactions, is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. This Statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of this Statement shall be effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of this pronouncement did not have any impact on the Company's financial position or statement of operations.

BIG FLASH CORPORATION

(A Development Stage Company)

Notes to the Financial Statements

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

In May 2005, the FASB issued FAS 154-"Accounting for Certain Marketable Securities". This Statement replaces APB Opinion No.20, Accounting Changes, and FASB Statement No. 3, Reporting Accounting Changes in Interim Financial Statements, and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. This Statement shall be effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The adoption of this pronouncement did not have any impact on the Company's financial position or statement of operations.

NOTE 2 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles 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. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations. In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plans to obtain such resources for the Company include (1) obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses, and (2) seeking out and completing a merger with an existing operating company. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2005 and 2004, the Company incurred various general and administrative expenses. As the Company has not had the wherewithal to pay these expenses, the Company has relied on a related party to satisfy its debts. As of December 31, 2005 and 2004 the Company had an obligation to the related party, including accrued interest, totaling $21,662 and $9,165, respectively. This balance is due on demand, and the Company is accruing interest on the total at 8.0% per annum.

NOTE 4 - SIGNIFICANT EVENT

In November, 2005, the Company entered into a Letter of Understanding with IntelGenx Corp. "IntelGenx"), an operating drug delivery entity headquartered in Quebec, Canada. Later, on April 10, 2006, the Company entered into a formal Share Exchange Agreement with IntelGenx. Pursuant to this Agreement, the Company formed a wholly-owned subsidiary, 6544531 Canada, Inc. ("Exchangeco"). The Share Exchange Agreement stipulates that Exchangeco will receive 10,991,000 common shares of IntelGenx, in exchange for all of the outstanding common shares of Exchangeco. Upon consummation of the Agreement, IntelGenx will operate as a controlled subsidiary of the Company. Management anticipates the Agreement will be fully consummated during the 2nd quarter of 2006.

BIG FLASH CORPORATION
(A Development Stage Company)
Balance Sheet (Unaudited)

	March 31, 2006 $	December 31, 2005 $
ASSETS		
CURRENT ASSETS		
Cash	-	-
Total Current Assets	-	-
TOTAL ASSETS	-	-
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Accounts payable	430	350
Due to stockholder	20,807	20,149
Accrued interest - stockholder	1,923	1,513
Total Current Liabilities	23,160	22,012
STOCKHOLDERS'EQUITY (DEFICIT)		
Common stock; 20,000,000 shares authorized, at $0.00001 par value, 1,500,000 shares issued and outstanding	15	15
Additional paid-in capital	1,485	985
Deficit accumulated during the development stage	-24,660	-23,012
Total Stockholders' Equity (Deficit)	-23,160	-22,012
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY DEFICIT)	-	-

The accompanying notes are an integral part of the Financial statements

BIG FLASH CORPORATION

(A Development Stage Company)

Statement of Operations (Unaudited)

	For the Months March 2006	Three Ended 31 2005	From Inception on July 27, 1999 through March 31 2006
	$	$	$
REVENUES	-	-	-
EXPENSES			
General and Administrative	1,238	3,542	22,736
Total Expenses	1,238	3,542	22,736
LOSS FROM OPERATIONS	-1,238	-3,542	-22,736
OTHER EXPENSES			
Interest Expense	-410	-209	-1,924
Total Other Expenses	-410	-209	-1,924
NET LOSS	-1,648	-3,751	-24,660
BASIC LOSS PER SHARE	-0.00	0.00	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,500,000	1,500,000	

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BIG FLASH CORPORATION

(A Development Stage Company)

Statement of Cash Flows (Unaudited)

	For the Three Months Ended March 31		From Inception on July 27, 1999 through March 31
	2006	2005	2006
	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	-1,648	-3,751	-24,660
Adjustments to reconcile net loss to net cash used by operating activities:			
Services contributed by shareholder	500	-	1,000
Changes in operating assets and liabilities:			
Increase in accounts payable	80	348	429
Increase in account payable - shareholder	1,068	3,043	22,731
Net Cash Used by Operating Activities	-	-	-500
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Sale of common stock	-	-	500
Net Cash Provided by Operating Activities	-	-	500
NET DECREASE IN CASH	-	-	-
CASH AT BEGINNING OF PERIOD	-	-	-
CASH AT END OF PERIOD	-	-	-
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
CASH PAID FOR:			
Interest	-	-	-
Income Taxes	-	-	-
NON-CASH FINANCING ACTIVITIES			
Common Stock issued for services	-	-	-
Common stock issued for mining claims	-	-	-

The accompanying notes are an integral part of these financial statements

BIG FLASH CORPORATION

(A Development Stage Company)

Notes to the Financial Statements

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at March 31, 2006 and 2005, and for all periods presented have been made.

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

NOTE 2 - SUBSEQUENT EVENT

On April 28, 2006, the Company entered into a Share Exchange Agreement ("the Agreement"), whereby the Company, (through its wholly-owned subsidiary 6544361 Canada, Inc., a Canadian company) acquired 100% of the issued and outstanding common stock and warrants of IntelGenx Corp., a Canadian corporation ("IntelGenx"). Pursuant to the Agreement, and several separate related agreements, the Company issued, as consideration for the IntelGenx shares, 14,507,489 shares of the Company's common stock to various shareholders of IntelGenx, along with 100,000 common share purchase warrants to an IntelGenx shareholder. The warrants granted are exercisable at $0.41 per share, and expire on April 28, 2008. Upon completion of the acquisition, the total shares issued by the Company pertaining to the acquisition of IntelGenx will constitute 68.7% of the approximately 16 million Big Flash Corporation common shares then outstanding. Following the completion of the acquisition, IntelGenx will continue its operations as a controlled subsidiary of the Company.

IntelGenx is a drug delivery company established in 2003 and headquartered in Montreal (Quebec), which focuses on the development of oral controlled-release products for the generic pharmaceutical market as well as novel mucosal delivery systems. IntelGenx's business strategy is to develop pharmaceutical products based on its proprietary drug delivery technologies and license the commercial rights to competent partner companies once the viability of the product has been demonstrated.

RSM Richter S.E.N.C.R.L.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
IntelGenx Corp.
(A Company in the Development Stage)

We have audited the accompanying balance sheets of IntelGenx Corp. (a company in the development stage) as at December 31, 2005 and December 31, 2004 and the related statements of operations and comprehensive income, shareholders' deficit and cash flows for the years ended December 31, 2005 and December 31, 2004 and for the period from inception (June 15, 2003) to December 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and December 31, 2004 and the results of its operations and its cash flows for the years ended December 31, 2005 and December 31, 2004 and for the period from inception (June 15, 2003) to December 31, 2005 in accordance with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As described in note 2 to the financial statements, the Company has experienced an operating loss that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Signed: RSM Richter LLP

Chartered Accountants

Montreal, Quebec
January 27, 2006

(Except for note 15, which is dated August 10, 2006)

Balance Sheets

(Expressed in U.S. Funds)

	As at			
		December 31, 2005		December 31, 2004
Assets				
Current				
Cash (note 5)	**$**	**10,938**	$	6,481
Accounts receivable		**5,858**		18,159
Income taxes recoverable		**9,400**		-
Prepaid expenses		**3,186**		4,750
Investment tax credits receivable		**69,576**		51,704
		98,958		81,094
Fixed Assets (note 4)		**100,176**		119,680
	$	**199,134**	$	200,774
Liabilities				
Current				
Accounts payable and accrued liabilities (note 6)		**67,322**		53,432
Income taxes payable		**-**		10,124
Current maturity of long-term debt		**14,000**		-
		81,322		63,556
Loan Payable, Shareholder (note 7)		**86,253**		41,857
Long-Term Debt (note 8)		**63,386**		-
Commitment (note 9)				
Shareholders' Deficiency				
Capital Stock (note 10)		**77**		77
Accumulated Other Comprehensive Gain		**4,825**		6,493
Accumulated Retained Earnings (Deficit) During the Development Stage		**(36,729)**		88,791
		(31,827)		95,361
	$	**199,134**	$	200,774

See accompanying notes

Approved on Behalf of the Board:

___________________________Director

___________________________Director

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Intelgenx Corp.
(A Company in the Development Stage)

Statement of Shareholders' Deficiency

(Expressed in U.S. Funds)

	Capital Stock		Cumulative Foreign Currency Translation Adjustment	Accumulated Retained Earnings (Deficit) during the Development Stage	**Total Shareholders' Equity (Deficiency)**
	Shares	Amount			
Balance - June 15, 2003 (date of inception)	-	$ -	$ -	$ -	$ -
June 15, 2003 - issue of common shares	10,000	77	-	-	**77**
Foreign currency translation adjustment for the period June 15, 2003 to December 31, 2003	-	-	(823)	-	**(823)**
Net loss from inception (June 15, 2003) to December 31, 2003	-	-	-	(10,215)	**(10,215)**
Balance - December 31, 2003	10,000	77	(823)	(10,215)	**(10,961)**
Foreign currency translation adjustment for the year ended December 31, 2004	-	-	7,316	-	**7,316**
Net earnings for the year ended December 31, 2004	-	-	-	99,006	**99,006**
Balance - December 31, 2004	10,000	77	6,493	88,791	**95,361**
Foreign currency translation adjustment for the year ended December 31, 2005	-	-	(1,668)	-	**(1,668)**
Net loss for the year ended December 31, 2005	-	-	-	(125,520)	**(125,520)**
Balance - December 31, 2005	10,000	$ 77	$ 4,825	$ (36,729)	**$ (31,827)**

See accompanying notes

Intelgenx Corp.
(A Company in the Development Stage)

Statement of Operations and Comprehensive Income

(Expressed in U.S. Funds)

	For the Years Ended December 31, 2005	Years Ended December 31, 2004	From Inception (June 15, 2003) to December 31, 2005
Revenue	**$ 19,168**	$ 257,374	**$ 282,640**
Expenses			
Research and development	**91,969**	131,547	**232,410**
Administrative salaries	**23,105**	15,375	**38,480**
Travel	**7,119**	4,538	**11,657**
Advertising and promotion	**844**	484	**1,328**
Telecommunications	**2,671**	3,225	**5,896**
Professional fees	**10,362**	1,271	**11,633**
Office and general	**4,884**	6,071	**20,643**
Taxes and insurance	**3,186**	868	**4,054**
Rent	**22,384**	7,931	**30,315**
Interest and bank charges	**1,773**	587	**2,360**
Interest on long-term debt and loan payable, shareholder	**5,946**	1,921	**7,867**
Amortization - laboratory and office equipment	**19,212**	11,957	**32,189**
Amortization - leasehold improvements	**3,878**	2,006	**6,830**
Amortization - computer equipment	**1,233**	876	**2,204**
Foreign exchange	**465**	1,074	**1,539**
Research and development tax credits	**(44,298)**	(47,759)	**(92,461)**
Loss on disposal of fixed assets	**-**	2,817	**2,817**
	154,733	144,789	**319,761**
Earnings (Loss) Before Income Taxes	**(135,565)**	112,585	**(37,121)**
Income taxes			
Current	**(10,045)**	9,352	**(693)**
Deferred	**-**	4,227	**301**
	(10,045)	13,579	**(392)**
Net Earnings (Loss)	**(125,520)**	99,006	**(36,729)**
Other Comprehensive Income			
Foreign currency translation adjustment	**(1,668)**	7,316	**4,825**
Comprehensive Income (Loss)	**$ (127,188)**	$ 106,322	**$ (31,904)**

See accompanying notes

Intelgenx Corp.
(A Company in the Development Stage)

Statement of Cash Flows

(Expressed in U.S. Funds)

	For the Years Ended December 31, 2005	Years Ended December 31, 2004	From Inception (June 15, 2003) to December 31, 2005
Funds Provided (Used) -			
Operating Activities			
Net earnings (loss)	**$ (125,520)**	$ 99,006	**$ (36,729)**
Amortization	**24,323**	14,839	**41,223**
Loss on disposal of fixed assets	**-**	2,817	**2,817**
Foreign currency translation adjustment	**(1,668)**	7,316	**4,825**
	(102,865)	123,978	**12,136**
Changes in non-cash operating elements of working capital	**(9,641)**	(46,747)	**(20,698)**
	(112,506)	77,231	**(8,562)**
Financing Activities			
Long-term debt	**77,386**	-	**77,386**
Loan payable, shareholder	**44,396**	3,292	**86,253**
Issue of capital stock	**-**	-	**77**
	121,782	3,292	**163,716**
Investing Activities			
Additions to fixed assets	**(4,819)**	(115,513)	**(160,178)**
Proceeds on disposal of fixed assets	**-**	15,962	**15,962**
	(4,819)	(99,551)	**(144,216)**
Increase (Decrease) in Cash	**4,457**	(19,028)	**10,938**
Cash			
Beginning of Period	**6,481**	25,509	**-**
End of Period	**$ 10,938**	$ 6,481	**$ 10,938**

See accompanying notes

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

1.

Organization and Basis of Presentation

The Company specializes in the development of pharmaceutical products in co-operation with various pharmaceutical companies.

Although the Company has the ability to develop pharmaceutical products, there can be no assurance that it will be able to obtain sufficient contracts to generate sufficient revenue to pay its operating costs.

The Company is a development stage enterprise as defined by Financial Accounting Standards Board (FASB) Statements of Financial Accounting Standards (SFAS) No. 7, "Accounting and Reporting by Development Stage Enterprises". The Company's main activities to date have been establishing contracts with pharmaceutical companies and the development of pharmaceutical products. Because the Company is in the development stage, the accompanying financial statements should not be regarded as typical for normal operating periods. The revenue generated from inception (June 15, 2003) to December 31, 2005 is principally from one development contract which was cancelled prior to completion.

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States. This basis of accounting involves the application of accrual accounting and consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The financial statements are expressed in U.S. funds.

2.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has reported a net loss of $36,729 from inception (June 15, 2003) to December 31, 2005. As reported on the statement of cash flows, the Company has reported deficient cash flows from operating activities of $8,562 from inception (June 15, 2003) to December 31, 2005. To date, these losses and cash flow deficiencies have been financed principally through long-term debt and debt from related parties. Additional capital and/or borrowings will be necessary in order for the Company to continue in existence until attaining and sustaining profitable operations.

Management has continued to develop a strategic plan to develop a management team, maintain reporting compliance and establish contracts with pharmaceutical companies. Management anticipates generating revenue through development contracts during the next year. The Company has commenced the process of raising additional capital. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

3.

Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The financial statements include estimates based on currently available information and management's judgment as to the outcome of future conditions and circumstances.

Changes in the status of certain facts or circumstances could result in material changes to the estimates used in the preparation of the financial statements and actual results could differ from the estimates and assumptions.

Revenue Recognition

The Company recognizes revenue from development contracts as the contracted services are performed or when milestones are achieved, in accordance with the terms of the specific agreements. Amounts received in advance of recognition, if any, are included in deferred income.

Financial Instruments

The Company estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value. It is not practical to determine the fair value of the amounts due from related parties due to their related party nature and the absence of a market for such instruments.

Accounts Receivable

The Company accounts for trade receivables at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history and current economic conditions. The Company writes off trade receivables when they are deemed uncollectible. The Company records recoveries of trade receivables previously written-off when they receive them. Management considers the reserve for doubtful accounts of $Nil to be adequate to cover any exposure to loss in its December 31, 2005 and December 31, 2004 accounts receivable.

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

3.

Summary of Significant Accounting Policies (Cont'd)

Investment Tax Credits

Investment tax credits relating to qualifying expenditures are recognized in the accounts at the time at which the related expenditures are incurred and there is reasonable assurance of their realization. Management has made estimates and assumptions in determining the expenditures eligible for investment tax credits claimed.

Amortization

On the declining balance method -	
Computer equipment	30%
Laboratory and office equipment	20%
On the straight-line method -	
Leasehold improvements	5 years

Impairment of Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the estimated undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value thereof.

Foreign Currency Translation

The Company's reporting currency is the United States dollar. The Canadian dollar is the functional currency of the Company's Canadian operations which is translated to the United States dollar using the current rate method. Under this method, accounts are translated as follows:

Assets and liabilities - at exchange rates in effect at the balance sheet date;

Revenue and expenses - at average exchange rates prevailing during the year.

Gains and losses arising from foreign currency translation are included in other comprehensive income.

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

3.

Summary of Significant Accounting Policies (Cont'd)

Newly Issued Accounting Pronouncements

In November 2004, the FASB issued FAS 151 "Inventory Costs". This Statement amends the guidance in ARB No. 43, Chapter 4, "inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that "...under some circumstances, items such as idle facility expense, excessive spoilage, double freight, and rehandling costs may be so abnormal as to require treatment as current period charges...." This Statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This pronouncement is effective for periods beginning after June 15, 2005. The adoption of this pronouncement did not have any impact on the Company's financial position or statement of operations.

In December 2004, the FASB issued FAS 153-"Exchanges of Nonmonetary Assets". The guidance in APB Opinion No. 29, Accounting for Nonmonetary Transactions, is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. This Statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception of exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of this Statement shall be effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of this pronouncement did not have any impart on the Company's financial position or statement of operations.

In May 2005, the FASB issued FAS 154-"Accounting for Certain Marketable Securities". This Statement replaces APB Opinion No. 20, Accounting Changes, and FASB Statement No. 3, Reporting Accounting Changes in Interim Financial Statements, and changes the requirements for the accounting for and reporting of a change in accounting principle. This Statement applies to all voluntary changes in accounting principle. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions. When a pronouncement includes specific transition provisions, those provisions should be followed. This Statement shall be effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. the adoption of this pronouncement did not have any impact on the Company's financial position or statement of operations.

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

4.

Fixed Assets

	Cost	Accumulated Amortization	**2005 Net Carrying Amount**
Laboratory and office equipment	$ 110,789	$ 29,769	**$ 81,020**
Computer equipment	5,113	2,117	**2,996**
Leasehold improvements	21,171	5,011	**16,160**
	$ 137,073	$ 36,897	**$ 100,176**

	Cost	Accumulated Amortization	2004 Net Carrying Amount
Laboratory and office equipment	$ 108,462	$ 12,469	$ 95,993
Computer equipment	5,096	953	4,143
Leasehold improvements	20,183	639	19,544
	$ 133,741	$ 14,061	$ 119,680

5.

Credit Facility

As at December 31, 2005, the Company had a credit facility of $43,000. Borrowings under the credit facility bear interest at prime rate plus 1.3% per annum. As security for the credit facility, the Company has pledged its assets to a maximum of $49,500.

6.

Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is approximately $31,600 (2004 - $45,000) payable to shareholders.

7.

Loan Payable, Shareholder

The loan payable, shareholder is unsecured, bears interest at 6% per annum and is not repayable prior to January 1, 2007. An amount of $63,000 has been postponed in favor of the Bank (see note 8). Interest incurred during the year amounted to approximately $4,000 (2004 - $1,900) which is measured at the exchange amount.

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

8.

Long-Term Debt

Loan from Business Development Bank of Canada, bearing interest at the lender's prime rate (6.25% at the inception of the loan) plus 1.5% per annum, maturing in 2011 and payable in annual instalments of $15,500 commencing February 12, 2006	$	**77,386**
Current maturity		**14,000**
	$	**63,386**

Principal payments due in each of the next five years and thereafter are as follows:

2006	$	**14,000**
2007		**15,500**
2008		**15,500**
2009		**15,500**
2010		**15,500**
Thereafter		**1,386**

As security for the loan from Business Development Bank of Canada, the Company has pledged all of its assets. As additional security, two shareholders of the Company have provided a guarantee for an amount representing 25% of the current commitment, and the loan payable, shareholder has been postponed for an amount of $63,000.

The term of the loan agreement require the Company to comply with certain financial covenants.

9.

Commitment

The Company has entered into an agreement to lease premises up to August 2009. The future minimum lease payments over the next four years are approximately as follows:

2006	**$ 13,000**
2007	**13,000**
2008	**13,500**
2009	**9,200**

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

10. Capital Stock

	2005	2004
Authorized without limit as to number and without par value - common shares		
Issued -		
10,000 common shares	**$ 77**	$ 77

11. Income Taxes

As at December 31, 2005, there were Canadian and provincial income tax losses of approximately $100,000, relating to the current year's operations, that may be applied against earnings of future years, not later than 2015. As a result, a valuation allowance of $31,000 has been applied against the deferred tax assets balance.

12. Statement of Cash Flows Additional Information

Changes in non-cash operating elements of working capital:

		2005		2004		2003
Accounts receivable	**$**	**12,301**	$	(12,495)	$	(5,664)
Prepaid expenses		**1,564**		(4,750)		-
Investment tax credits receivable		**(17,872)**		(51,267)		(437)
Deferred income taxes		-		4,242		(4,242)
Accounts payable and accrued liabilities		**13,890**		18,510		34,922
Income taxes payable		**(19,524)**		10,124		-
Deferred income		**-**		(11,111)		11,111
	$	**(9,641)**	$	(46,747)	$	35,690
Interest paid	**$**	**7,760**	$	2,340	$	-
Income taxes paid	**$**	**9,000**	$	-	$	-

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

13. Major Customers

One customer accounts for more than 95% of the Company's revenue. This company is no longer a customer. Outstanding accounts receivable with this customer are $Nil as at December 31, 2005 and December 31, 2004.

14. Related Party Transactions

During the year, the Company incurred expenses of approximately $17,500 (2004 - $10,000) for laboratory equipment leased from a shareholder. The agreement to lease the laboratory equipment expires in August 2007 and the future minimum lease payments are as follows:

2006	**$**	**17,500**
2007		**11,500**

In 2004 and 2003, the Company incurred consulting fees of $22,500 and $7,500 respectively for services rendered by a shareholder. These consulting fees have been included in research and development costs.

On June 30, 2005, the Company purchased patents and patent applications from a shareholder for a total consideration of $8,200, which is included in accounts payable as at December 31, 2005.

The above related party transactions have been measured at the exchange amount which is the amount of the consideration established and agreed to by the related parties.

15. Subsequent Event

On April 28, 2006, the Company sold 100% of its outstanding common shares to Big Flash Corporation, an inactive public shell company, in a transaction that has been accounted for as a recapitalization of the Company. The transaction will result in the Company issuing 3,191,489 common shares, via a private placement, for proceeds of approximately $1,227,000 less related issue costs of approximately $410,000. Under accounting principles generally accepted in the United States, the share exchange is considered to be a capital transaction in substance, rather than a business combination. That is, the share exchange is equivalent to the issuance of stock by the Company for the net monetary assets of Big Flash Corporation, accompanied by a recapitalization, and is accounted for as a change in capital structure. Accordingly, the accounting for the share exchange will be identical to that resulting from a reverse acquisition, except no goodwill will be recorded. Under reverse takeover accounting, the post reverse acquisition comparative historical financial statements of the legal acquirer, Big Flash Corporation, are those of the legal acquiree, the Company, which are considered to be the accounting acquirer.

IntelGenx Corp.
(A Company in the Development Stage)

Notes to Financial Statements

From Inception (June 15, 2003) to December 31, 2005
(Expressed in U.S. Funds)

15. Subsequent Event (Cont'd)

All of the Company's shares, through a series of exchanges, are exchanged for shares of Big Flash Corporation's common shares and/or exchangeable shares of 6544361 Canada Inc. a wholly-owned subsidiary of Big Flash Corporation. The exchangeable shares are exchangeable for common shares of Big Flash Corporation on a one for one basis. Until such time as the holders of the exchangeable shares wish to exchange their shares for Big Flash Corporation shares, the Big Flash Corporation shares are held in trust by a trustee on behalf of the exchangeable shareholder. The trustee shall be entitled to the voting rights in Big Flash Corporation as stated in the terms of the exchange and voting agreement and shall exercise these voting rights according to the instructions of the holders of the exchangeable shares on a basis of one vote for every exchangeable share held.

As part of the above-described transaction the Company has issued 100,000 warrants to a consultant which are exchangeable for 100,000 warrants of Big Flash Corporation upon closing. Each warrant will be exercisable into one share of Big Flash Corporation at $0.41 per share. Additionally, at closing, Big Flash Corporation issued 325,000 shares of its capital stock to the same consultant as a non-refundable retainer for future investor relations services.

Subsequent to the transaction, Big Flash Corporation intends to file a registration statement to allow certain stockholders to resell up to an aggregate of 3,616,489 shares of common shares for estimated proceeds of up to $2,170,000.

On August 10, 2006 Big Flash Corporation changed its name to IntelGenx Technologies Corp.

IntelGenx Technologies Corp.

(Formerly Big Flash Corporation)

Consolidated Balance Sheet

(Expressed in U.S. Funds)

		June 30, 2006 Unaudited		December 31, 2005
Assets				
Current				
Cash	$	607,521	$	10,938
Accounts receivable		136,306		5,858
Income taxes recoverable		9,794		9,400
Prepaid expenses		136,569		3,186
Investment tax credits receivable		95,748		69,576
		985,938		98,958
Fixed Assets		169,410		100,176
	$	1,155,348	$	199,134
Liabilities				
Current				
Accounts payable and accrued liabilities		72,671		67,322
Current maturity of long-term debt		12,543		14,000
		85,214		81,322
Loan Payable, Shareholder		89,870		86,253
Long-Term Debt		88,289		63,386
Shareholders' Equity (Deficiency)				
Capital Stock (note 5)		1,031,735		77
Additional Paid-in-Capital		19,420		-
Other Comprehensive Gain		5,126		4,825
Accumulated Deficit		**(164,306)**		(36,729)
		891,975		(31,827)
	$	1,155,348	$	199,134

See accompanying notes

Approved on Behalf of the Board:

Director

Director

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IntelGenx Technologies Corp.

(Formerly Big Flash Corporation)

Consolidated Statement of Shareholders' Equity

For the Period Ended June 30, 2006

(Expressed in U.S. Funds)

(Unaudited)

	Number	Capital Stock Amount	Additional Paid-In Capital	Other Comprehensive Gain	Accumulated Deficit	**Total Shareholders' Equity**
Balance - December 31, 2005	10,000	$ 77	$ -	$ 4,825	$ (36,729)	$ **(31,827)**
March 9, 2006 - recall and cancellation of issued shares	(10,000)	(77)	-	-	-	**(77)**
March 9, 2006 - issue of common shares	10,991,000	77	-	-	-	77
April 28, 2006 - issue of common shares	3,191,489	898,408	-	-	-	898,408
April 28, 2006 - asset acquired	1,825,000	133,250	-	-	-	133,250
Foreign currency translation adjustment for the period	-	-	-	301	-	301
Warrants issued	-	-	19,420	-	-	19,420
Net loss for the period	-	-	-	-	(127,577)	**(127,577)**
Balance - June 30, 2006	16,007,489	$ 1,031,735	$ 19,420	- $ 5,126	$ (164,306)	$ 891,975

IntelGenx Technologies Corp.

(Formerly Big Flash Corporation)

Consolidated Statement of Shareholders' Equity

For the Period Ended June 30, 2005

(Expressed in U.S. Funds)

(Unaudited)

	Number	Capital Stock Amount	Accumulated Other Comprehensive Gain	Accumulated Retained Earnings during the Development Stage	**Total Shareholders' Equity**
Balance - December 31, 2004	10,000	77	6,493	88,791	95,361
Foreign currency translation adjustment for the period	-	-	(1,865)	-	**(1,865)**
Net loss for the period	-	-	-	(51,271)	**(51,271)**
Balance - June 30, 2005	10,000	$ 77	$ 4,628	$ 37,520	$ 42,225

See accompanying notes

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IntelGenx Technologies Corp.

(Formerly Big Flash Corporation)

Consolidated Statement of Operations and Comprehensive Loss

(Expressed in U.S. Funds)

(Unaudited)

	For the Three-month period ended June 30th		For the Six-month period ended June 30th	
	2006	2005	**2006**	2005
Revenue	$ 93,168	$ -	188,686	-
Expenses				
Research and development	156,683	21,441	239,701	35,171
Administrative salaries	15,585	5,680	30,154	15,960
Travel	8,493	64	10,865	492
Advertising and promotion	840	-	1,882	-
Telecommunications	1,931	162	3,300	1,289
Professional fees	697	-	6,644	1,377
Office and general	3,934	2,684	8,026	3,634
Taxes and insurance	894	678	1,349	1,384
Rent	7,286	5,548	14,157	11,191
Interest and bank charges	231	403	672	1,469
Interest and financing fees on long-term debt and loan payable, shareholder	23,905	1,159	27,205	2,105
Amortization - laboratory and office equipment	7,674	4,548	14,791	9,227
Amortization - leasehold improvements	1,199	927	2,311	1,879
Amortization - computer equipment	240	294	463	597
Foreign exchange	837	50	842	64
Research and development tax credits	**(23,916)**	(3,624)	**(46,099)**	(24,561)
	206,513	40,014	316,263	61,278
Loss Before Income Taxes	**(113,345)**	(40,014)	**(127,577)**	(61,278)
Income taxes - Current	-	-	-	(10,007)
Net Loss	**(113,345)**	(40,014)	**(127,577)**	(51,271)
Other Comprehensive Income (Loss)				
Foreign currency translation adjustment	35	(1,206)	301	(1,865)
Comprehensive Loss	$ **(113,310)**	$ (41,220)	**(127,276)**	$ (53,136)
Basic Weighted Average Number of Shares Outstanding	14,463,954	10,991,000	**12,737,071**	10,991,000

Basic and Diluted Loss Per Common Share (note 7)	**(0.01)**	-	**(0.01)**	-

See accompanying notes

IntelGenx Technologies Corp.

(Formerly Big Flash Corporation)

Statement of Cash Flows

(Expressed in U.S. Funds)
(Unaudited)

	For the Three-month period ended June 30th		For the Six-month period ended June 30th	
	2006	2005	**2006**	2005
Funds Provided (Used) - Operating Activities				
Net loss	$ **(113,345)**	$ (40,014)	$ **(127,577)**	$ (51,271)
Foreign currency translation adjustment	35	(1,206)	301	(1,865)
Amortization	9,113	5,769	17,565	11,703
Financing fee paid in warrants	19,420	-	19,420	-
	(84,777)	(35,451)	**(90,291)**	(41,433)
Changes in non-cash operating elements of working capital	**(115,001)**	5,002	**(151,798)**	(29,875)
	(199,778)	(30,449)	**(242,089)**	(71,308)
Financing Activities				
Bank Indebtedness	**(12,119)**	30,449	-	32,469
Long-term debt	-	-	29,294	-
Repayment of long term debt	**(1,520)**	-	(5,848)	-
Loan payable, shareholder	3,986	-	3,617	32,806
Issue of capital stock (note 5)	1,341,750	-	1,341,750	-
Transaction costs (note 5)	**(443,342)**	-	**(443,342)**	-
Promissory note	**(25,685)**	-	-	-
	863,070	30,449	925,471	65,275
Investing Activities				
Additions to fixed assets	**(55,771)**	-	**(86,799)**	(448)
Increase (Decrease) in Cash	607,521	-	596,583	(6,481)
Cash				
Beginning of Period	-	-	10,938	6,481
End of Period	$ 607,521	$ -	$ 607,521	$ -

See accompanying notes

IntelGenx Technologies Corp.
(Formerly Big Flash Corporation)

Notes to Consolidated Interim Financial Statements

June 30, 2006
(Expressed in U.S. Funds)
(Unaudited)

1.

Basis of Presentation and Reorganization of the Corporation

Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and item 310(b) of Regulation S-B and are prepared using the same accounting policies as outlined in note 3 of Intelgenx Corp. financial statements for the year ended December 31, 2005 and 2004 except for those discussed in note 4 below. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2006 are not necessarily indicative of the results that may be expected for the year ended December 31, 2006. The unaudited financial statements should be read in conjunction with the financial statements and notes thereto included in the Intelgenx Corp. audited financial statements for the years ended December 31, 2005 and 2004.

Reorganization of the Corporation

On April 28, 2006, Intelgenx Corp. entered into a share exchange agreement with IntelGenx Technologies Corp. (formerly Big Flash Corporation), an inactive public shell company, for the acquisition by IntelGenx Technologies Corp. of all the issued and outstanding shares of Intelgenx Corp.

Under accounting principles generally accepted in the United States, the share exchange is considered to be a capital transaction in substance, rather than a business combination. That is, the share exchange is equivalent to the issuance of stock by Intelgenx Corp. for the net monetary assets of IntelGenx Technologies Corp. accompanied by a recapitalization, and is accounted for as a change in capital structure. Accordingly, the accounting for the share exchange is identical to that resulting from a reverse acquisition, except no goodwill is recorded. Under reverse takeover accounting, the post reverse acquisition comparative historical financial statements of the legal acquirer, IntelGenx Technologies Corp., are those of the legal acquiree, Intelgenx Corp., which are considered to be the accounting acquirerer.

IntelGenx Technologies Corp.
(Formerly Big Flash Corporation)

Notes to Consolidated Interim Financial Statements

June 30, 2006
(Expressed in U.S. Funds)
(Unaudited)

All of the Intelgenx Corp. shares, through a series of exchanges, were exchanged for shares of IntelGenx Technologies Corp. common shares and/or exchangeable shares of 6544361 Canada Inc. a wholly-owned subsidiary of IntelGenx Technologies Corp. The Exchangeable shares are exchangeable for common shares of IntelGenx Technologies Corp. on a one for one basis. Until such time as the holders of the exchangeable shares wish to exchange their shares for IntelGenx Technologies Corp. shares, the IntelGenx Technologies Corp. shares are held in trust by a trustee on behalf of the exchangeable shareholders. The trustee shall be entitled to the voting rights in IntelGenx Technologies Corp. stated in the terms of the exchange and voting agreement and shall exercise these voting rights according to the instructions of the holders of the exchangeable shares on a basis of one vote for every exchangeable share held.

These financial statements reflect the accounts of the balance sheets, the results of operations and the cash flows of Intelgenx Corp. at their carrying amounts, since it is deemed to be the accounting acquirerer.

IntelGenx Technologies Corp.
(Formerly Big Flash Corporation)

Notes to Consolidated Interim Financial Statements

June 30, 2006
(Expressed in U.S. Funds)
(Unaudited)

1. Basis of Presentation and Reorganization of the Corporation (Cont'd)

The results of operations, the cash flows and the assets and liabilities of IntelGenx Technologies Corp. have been included in these consolidated financial statements since April 28, 2006, the acquisition date. Amounts reported for the periods prior to April 28, 2006 are those of Intelgenx Corp..

The fair value assigned to the asset of IntelGenx Technologies Corp. acquired on April 28, 2006 is as follows:

Asset

Prepaid investor relations services	**$**	**133,250**
Asset acquired	**$**	**133,250**

As part of the transaction, a shareholder of IntelGenx Technologies Corp. forgave the due to shareholder and related interest payable amounting to $23,160 and IntelGenx Technologies Corp. issued 325,000 common shares in consideration of investor relations services to be rendered.

2. Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has reported a net loss of $164,306 from inception (June 15, 2003) to June 30, 2006. The Company has reported deficient cash flows from operating activities of $250,651 from inception (June 15, 2003) to June 30, 2006. To date, these losses and cash flow deficiencies have been financed principally through long-term debt, debt from related parties and common shares issuance. Additional capital and/or borrowings will be necessary in order for the Company to continue in existence until attaining and sustaining profitable operations.

Management has continued to develop a strategic plan to develop a management

team, maintain reporting compliance and establish contracts with pharmaceutical companies. Management anticipates generating revenue through development contracts during the year. The Company has commenced the process of raising additional capital. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

IntelGenx Technologies Corp.
(Formerly Big Flash Corporation)

Notes to Consolidated Interim Financial Statements

June 30, 2006
(Expressed in U.S. Funds)
(Unaudited)

3. **Nature of Business**

The Company specializes in the development of pharmaceutical products in co-operation with various pharmaceutical companies. Prior to March 31, 2006, the Company was in the development stage and its efforts were focused on establishing contracts with pharmaceutical companies and the development of pharmaceutical products. The Company completed the development stage of its operations when the Company commenced consistently generating revenues from its operations in April 2006.

IntelGenx Technologies Corp.

(Formerly Big Flash Corporation)

Notes to Consolidated Interim Financial Statements

June 30, 2006
(Expressed in U.S. Funds)
(Unaudited)

4.

Significant Accounting Policies

Share-Based Payments

The Company accounts for share-based payments in accordance with the provisions of FAS 123R "Share-based payments (Revised)" and accordingly recognizes in its financial statements share-based payments at their fair value.

5.

Capital Stock

	June 30, 2006	December 31, 2005
Authorized without limit as to number and without par value - common shares		
Issued -		
16,007,489 (2005 - 10,000) common shares	**$ 1,031,735**	**$ 77**

On April 28, 2006 Intelgenx Corp. issued 3,191,489 common shares for cash consideration of $1,341,750. The transactions cost related to the share issuance amounted to $443,342.

On the same date Intelgenx Corp. completed a share exchange transaction with IntelGenx Technologies Corp. in which it acquired an asset of $133,250.

Warrants

During the six month period ended June 30, 2006, Intelgenx Technologies Corp. issued 100,000 stock purchase warrants exercisable into common shares at $0.41 per share which expire on April 28, 2008. The stock purchase warrants were issued in payment of a financing fee. The stock purchase warrants were accounted for at their fair value, as determined by the Black-Scholes valuation model, of $19,420, using the following assumptions:

Expected volatility	85%
Expected life	2 years
Risk-free interest rate	3.91%
Dividend yield	Nil

As at June 30, 2006, no stock purchase warrants were exercised.

IntelGenx Technologies Corp.
(Formerly Big Flash Corporation)

Notes to Consolidated Interim Financial Statements

June 30, 2006
(Expressed in U.S. Funds)
(Unaudited)

6.

Related Party Transactions

During the six month period ending June 30, 2006, the Company incurred expenses of approximately $9,109 (2005 - $8,201) for laboratory equipment leased from a shareholder and $2,693 (2005 - $2,026) for interest on the loan payable shareholder.

The Company has entered into employment contracts with certain executives. For the six months ended June 30, 2006, the research and development expense and the administrative salaries expense include $57,000 and $30,000 respectively paid to executives.

The transaction costs (see note 5) include approximately $95,000 paid to a company controlled by an executive.

Included in accounts payable and accrued liabilities is approximately $25,500 (2005 - $27,000) payable to shareholders.

The above related party transactions have been measured at the exchange amount which is the amount of the consideration established and agreed to by the related parties.

7.

Loss Per Share

Basic loss per share is calculated based on the weighted average number of shares outstanding during the period. The warrants have been excluded from the calculation of diluted loss per share since they are anti-dilutive.

8.

Subsequent Events

On July 3, 2006, IntelGenx Technologies Corp. filed a registration statement to allow certain stockholders to resell up to an aggregate of 3,616,489 shares of common shares for estimated proceeds of up to $2,170,000.

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 24.

Indemnification of Directors and Officers

Under Section 145(a) of the General Corporation Law of Delaware, we may indemnify any of our officers or directors in any action other than actions by or in the right of our company, whether civil, criminal, administrative or investigative, if such director or officer acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of our company, and, with respect to any criminal action or proceedings if such director or officer has no reasonable cause to believe his conduct was unlawful. Under Section 145(b), we may indemnify any of our officers or directors in any action by or in the right of our company against expenses actually and reasonably incurred by him in the defense or settlement of such action if such officer or director acted in good faith and in a manner he reasonably believed to be in or not opposed to our best interest, except where such director or officer shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to us, unless, on application, the Court of Chancery or the court in which such action or suit was brought shall determine that, despite the adjudication of liability, such person in view of all the circumstances is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper. Section 145(c) provides for mandatory indemnification of officers or directors who have been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in subsections (a) and (b). Section 145(d) authorizes indemnification under subsections (a) and (b) in specific cases if approved by our board of directors or stockholders upon a finding that the officer or director in question has met the requisite statutory standards of conduct. Section 145(g) empowers us to purchase insurance coverage for any director, officer, employee or agent against any liability incurred by him in his capacity as such, whether or not we would have the power to indemnify him under the provisions of the Delaware General Corporation Law. The foregoing is only a summary of the described sections of the Delaware General Corporation Law and is qualified in its entirety by reference to such sections.

Our bylaws provide that we shall indemnify each of our officers and directors to the fullest extent permitted by applicable law. Our certificate of incorporation also provides that, to the fullest extent permitted by the Delaware General Corporation Law, our directors shall not be liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director.

Item 25. Other Expenses of Issuance and Distribution

The following table sets forth the various expenses expected to be incurred in connection with the sale and distribution of the securities being registered, all of which will be borne by the Registrant (not including any underwriting discounts and commissions and expenses incurred by the selling stockholders for brokerage, accounting, tax, or legal services or any other expenses incurred by the selling stockholders in disposing of the shares). All amounts shown are estimates except the Securities and Exchange Commission registration fee.

Securities and Exchange registration fee	$ 159
Legal fees and expenses	$18,000
Accounting fees and expenses	$8,000
Total	$26,159

Item 26.

Recent Issuance of Unregistered Securities

The following shares were exempt from registration under section 4(2) of the Securities Act of 1933, Regulation D-Rule 506 and/or Regulation S promulgated there under:

On April 28, 2006 IntelGenx Technologies Corp.'s special purpose Canadian subsidiary completed the acquisition of 10,991,000 common shares of IntelGenx, pursuant to a Share Exchange Agreement and other agreements. Under the Share Exchange Agreement, Exchangeco acquired all of the issued and outstanding common shares of IntelGenx in exchange for 10,991,000 Class A Special Shares of Exchangeco, where each Class A Special Share of Exchangeco is exchangeable into one share of our common stock.

We also acquired 100,000 common share purchase warrants of IntelGenx pursuant to a securities purchase agreement which we entered into with Patrick J. Caruso, in exchange for warrants exercisable for 100,000 shares of our common stock. We also acquired 3,191,489 common shares of IntelGenx from 34 investors in exchange for the issuance of 3,191,489 shares of our common stock. Additionally, we entered into a business consultancy agreement with Mr. Caruso pursuant to which we issued to Mr. Caruso 325,000 shares of common stock as a non-refundable retainer, and in full payment of investor relations services to be rendered by Mr. Caruso under the agreement.

Item 27.

Exhibits and Financial Statement Schedules

The following exhibits are filed as part of this registration statement:

The following exhibits are filed as part of this registration statement:

2.1 *	Share exchange agreement dated April 10, 2006
3.1	Articles of incorporation (incorporated by reference to exhibit 3.1 of the registrant Company's SB-2 filed on November 16, 1999)
3.2	By-Laws (incorporated by reference to exhibit 3.1 of the registrant SB-2 filed on November 16, 1999)
3.3	Amendment to the Articles of Incorporation, filed with amendment No. 2 to Form SB-2
4.1	Warrants dated March 16, 2006 issued to Patrick J. Caruso, filed with initial filing
5.1	Opinion on legality, filed with amendment No. 1 to Form SB-2
9.1 *	Voting Trust agreement
10.1	Host Zerbe employment agreement, filed with initial filing
10.2	Joel Cohen consulting agreement, filed with initial filing
10.3	Ingrid Zerbe employment agreement, filed with initial filing
10.4	Registration rights agreement, filed with initial filing
10.5	Principal's registration rights agreement, filed with initial filing
10.6	Investor relations consulting agreement, filed with initial filing
16.1	Letter on change in certifying accountant, filed with initial filing
21.1	Subsidiaries of the small business issuer, filed with initial filing
23.1	Consent of Hodgson Russ LLP, see exhibit 5.1
23.2	Consent of Chisholm, Bierwolf & Nilson LLC
23.3	Consent of RSM Richter
24.1	Power of attorney; included on the last page of this SB-2 registration statement

* Incorporated by reference to 99.1 from the 8K/A filed on April 28, 2006

Item 28. **Undertakings**

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in the amount of volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing a form SB-2 and authorized this Amendment No. 3 to registrant's statement to be signed on its behalf by the undersigned in the city of Montreal, Province of Quebec, Canada on August 30, 2006.

Big Flash Corp.

By: /S/ Horst Zerbe.
Horst Zerbe
Chief Executive Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Horst Zerbe as his attorney in fact, to sign any amendments to this registration statement (including post-effective amendments), and any registration statement filed under SEC Rule 424(b) and to file any of the same with exhibits thereto and other documents in connection therewith, and with the Securities and Exchange Commission, hereby ratifying and confirming that said attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, the Amendment No. 3 Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	**Title**	**Date**
/S/ Horst Zerbe Horst Zerbe	Chairman and Chief Executive Officer *(Principal Executive Officer)*	

*By: /s/Horst Zerbe
Horst Zerbe, Attorney in Fact

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