SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SB-2/A
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

CYTODYN, INC.
(Name of Small Business Issuer in its Charter)

COLORADO	75-3056237
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

200 West De Vargas St., Suite 1 Santa Fe, NM	87501
(Address of principal executive offices)	(Zip code)

(505) 988-5520
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report.)

(Name, Address and Telephone Number of Agent for Service)

Copies to:

Ronald J. Tropp
20222 Oxnard Street
Woodland Hills, CA 91367
Telephone No. (818) 999-3623
Facsimile No. (818) 348-1367

Approximate Date of Proposed Sale to the Public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. /x/

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

If this Form is a post-effective amendment filed pursuant to Rule 462(c) 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. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant 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 the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

<TABLE>
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CYTODYN, INC.

CROSS REFERENCE SHEET

Form SB-2 Item Nos. and Caption	Prospectus Caption
<S>	<C>
1. Front of Registration Statement and Outside of Prospectus	Front Cover Outside Front CoverPage
2. Inside Front and Outside Back Cover Pages of Prospectus	Inside Front and Outside Back Cover Pages
3. Summary Information and Risk Factors	Prospectus Summary; Risk Factors

4.	Use of Proceeds	Use of Proceeds
5.	Determination of Offering Price	Underwriting
6.	Dilution	Dilution
7.	Selling Security-Holders	*
8.	Plan of Distribution	Outside Front Cover Page; Underwriting
9.	Legal Proceedings	*
10.	Directors, Executive Officers, Promoters and Control Persons	Management
11.	Security Ownership of Certain Beneficial Owners and Management	Principal Shareholders
12.	Description of Securities	Description of Common Stock; Shares Eligible for Future Sale
13.	Interest of Named Experts and Counsel	Legal Matters; Experts
14.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities	*
15.	Organization Within Last Five Years	*
16.	Description of Business	Prospectus Summary; Business
17.	Management's Discussion and Analysis or Plan of Operation	Management's Discussion and Analysis of Financial Condition and Results of Operations
18.	Description of Property	Business
19.	Certain Relationships and Related Transactions	Certain Transactions
20.	Market for Common Equity and Related Stockholder Matters	*
21.	Executive Compensation	Management
22.	Financial Statements	Financial statements
23.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	*

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* Not applicable.

</TABLE>

THE REGISTRANT AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT 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, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED (2)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (4)	AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE (5)
<S>	<C>	<C>	<C>	<C>
No par value (c) Common Stock	1,561,000	$.75	$1,170,750	$148.34

</TABLE>

Total

(1) This fee is calculated pursuant to Rule 457(o).

(2) The shares of Common Stock that may be offered pursuant to this Registration Statement consist of 250,000 to be offered by the Registrant, 885,000 shares issued to certain selling stockholders in previous private placements and 426,000 shares issuable upon exercise of certain outstanding warrants.

(3) This registration statement covers an additional indeterminate number of shares of the Registrant's common stock which may be issued in accordance with Rule 416.

(4) For Purposes of computing the registration fee in accordance with Rule 457(c), the price which is based upon the price of $.75 per share, which is the price at which the selling stockholders will sell their shares until the Registrant's shares are quoted on the OTC Bulletin Board. The Registrant's common stock is not currently listed or quoted on any quotation medium.

(5) $23.75 was previously paid upon the initial filing of this Registration Statement.

PROSPECTUS
CYTODYN, INC.

250,000 SHARES OF COMMON STOCK

885,000 SHARES OF COMMON STOCK
426,000 SHARES OF COMMON STOCK

$0.75 PER SHARE

We intend to sell up to 250,000 of the shares of our common stock. This is our initial public offering. There is no minimum amount of shares that must be sold and no escrow or trust or deposit account for investor funds, and the proceeds may be utilized by us in our discretion. Our common stock is not currently listed or quoted on any quotation medium. This offering will terminate 12 months from the date of this prospectus.

We are also registering 885,000 shares and 426,000 shares of our common stock, all of which are being offered by the selling stockholders listed under the heading "Selling Security Holders." We will not receive any of the proceeds from the sales of the 885,000 shares of common stock by the selling stockholders. The 426,000 shares are common shares issuable upon exercise of warrants issued to our financial representative. We will receive the exercise price of the shares when our financial representative exercises their warrants. The warrants were issued at an exercise price of $.30 per share and can be immediately exercised. The warrants expire in five years. The selling stockholders will sell at prevailing market prices on the OTC Bulletin Board or privately negotiated prices.

The common stock offered is speculative and involves a high degree of risk. SEE RISK FACTORS ON PAGE 3.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Shares are offered at $0.75 per share. Since there is no minimum amount of shares that must be sold, the proceeds of the offering may be $0 up to $187,500. The offering is being self-underwritten through our officers and directors.

	Offering Price	Commissions	Proceeds to Company
Per Share:	$ .75	$ 0	$ 0.75
Total:	$ 187,500	$ 0	$ 187,500

The date of this Prospectus is _October_____, 2004

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements, including the notes thereto, appearing elsewhere in this Prospectus. Each prospective investor is urged to read this Prospectus in its entirety.

CYTODYN, Inc.

CytoDyn,Inc was organized under the laws of the state of Colorado on May, 2, 2002 as Rexray Corporation. The original sole officer and director of Rexray Corporation was James B. Wiegand. Mr. Wiegand organized the corporation for the sole purpose of attempting to locate and negotiate with a business entity for the merger of that target company. The company had no other operating business.

In October, 2003, we acquired the trademarks, CytoDyn, Cytolin, a trademark symbol, from CytoDyn of New Mexico, Inc and was assigned a patent license agreement dated July 1, 1994 by and between Allen D. Allen and CytoDyn of New Mexico, Inc., which covers U.S. Patent No. 5424066, describing a method for increasing CD4+ cell numbers through the use of monoclonal antibodies directed against self-reactive, CD4 specific cytotoxic T-cells, Patent No. 5651970 describing a method for inhibiting disease associated with the Human Immunodeficiency Virus through the use of monoclonal antibodies directed against anti-self cytotoxic T-lymphocytes or their lytics, and Patent No. 6534057, describing a method for increasing the delayed-type hypersensitivity response by infusing LFA-1-specific antibodies, as well as foreign counterpart patents. In Consideration for the transaction, we changed our name from Rexray Corporation to CytoDyn, Inc., effected a one-for two reverse split of our outstanding common stock, issued 5,362,640 post-split shares of our common stock to CytoDyn of New Mexico and assumed $161,578 in liabilities related to the assigned assets. In conjunction with this acquisition, James Wiegand, sole officer and director, resigned and Allen D. Allen was appointed President and CEO, Corinne Allen (daughter of Allen D. Allen) was appointed Secretary and Treasurer and Brian J. McMahon was appointed Executive Vice President. At this time, Allen D. Allen, Ronald J. Tropp, Corinne Allen, Daniel M. Strickland and Peggy C. Pence were all appointed to the Board of Directors. Some of these directors and officers were also directors and officers of CytoDyn of New Mexico.

CytoDyn of New Mexico was organized under the laws of the state of New Mexico in June 1994. CytoDyn of New Mexico had developed certain technology for the treatment of the Human Immunodeficiency Virus (HIV) and spent approximately $1.3 million since its inception to get an Investigational New Drug (IND) application approved for clinical trials by the FDA of its product "Cytolin."

In November 2003, CytoDyn of New Mexico began the process of liquidating and dissolving. In connection therewith, CytoDyn of New Mexico distributed the 5,362,640 shares of our common stock to the shareholders of CytoDyn of New Mexico pro-rata with their stock ownership percentage.

We are the surviving biotechnology research company pursuing the discovery and development of a treatment for HIV. The technology that we licensed is a patented and novel treatment for HIV. Instead of the traditional focus of attacking the virus, our treatment bolsters the human immune system by an injection of monoclonal antibodies.

A phase I/a/b clinical trial using this treatment method, sponsored by Amerimmune, Inc, the previous licensee of CytoDyn of New Mexico's Cytolin technology, was completed in 2002. The results showed treatment with Cytolin was followed by a reduction in viral burden of up to one log with no severe adverse reactions. The logarithm or "log" is the standard way of measuring the reduction in the amount of virus in the blood of HIV patients. A reduction of one log, while from a preliminary study, is competitive with the approved AIDS drugs currently on the market. We are continuing the research and development of a treatment for HIV/AIDS, using the licensed technology. We anticipate conducting a Phase II/III pivotal study, which if successfully completed would allow the submission of a marketing application (Biologics Licensing Application; BLA.) If the BLA were issued, we would then be able to market Cytolin to HIV patients in the United States.

Our principal executive offices are located at 200 West De Vargas St., Suite 1, Santa Fe, NM 87501 and our telephone number is 1-877-988-5520.

We are in the development stage and currently have no potential drugs approved for commercial use. Our long-term viability, profitability and growth will depend upon successful commercialization of potential drugs resulting from our research and product development activities. To date, we, as well as both predecessor companies, have generated no revenues.

THE OFFERING

Common Stock offered.....	250,000 shares
Selling Security Holders	885,000 shares 426,000 shares
Common Stock to be outstanding after the offering	8,319,307 shares
Use of Proceeds.....	CytoDyn intends to use all of the net proceeds of this offering for working capital and general corporate compliance purposes.
Risk Factors.....	The securities offered hereby are speculative and involve a high degree of risk and immediate substantial dilution and should not be purchased by investors who cannot afford the loss of their entire investment. See "Risk Factors."

SUMMARY FINANCIAL INFORMATION

The summary financial information set forth below is derived from the financial statements appearing elsewhere in this Prospectus. Such information should be read in conjunction with such financial statements, including the notes thereto.

CYTODYN, INC.
Audited Balance Sheet Data
May 31, 2004

Current Assets:	
Cash	$ 186,964
Prepaid expenses	16,302
Total current assets	203,266
Furniture and equipment, less accumulated depreciation of $204	3,131
Deposit	495
	$ 206,892

Liabilities and Shareholders' Deficit

Liabilities:	
Accounts payable	$ 118,686
Accrued liabilities	16,632
Indebtedness to related parties (Note 2)	71,694
Total liabilities	207,012
Commitments and contingencies (Note 6)	--
Shareholders' deficit (Note 4):	
Preferred stock, no par value; 5,000,000 shares authorized, -0- shares issued and outstanding	--
Common stock, no par value; 25,000,000 shares authorized, 8,069,307 shares issued and outstanding	1,916,334
Additional paid-in capital	23,502
Accumulated deficit	(1,601,912)
Deficit accumulated during development stage	(338,044)
Total shareholders' deficit	(120)
	$ 206,892

<TABLE>
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CYTODYN, INC.
Statement of Operations

	For the Year Ended May 31,		(development stage) October 28, 2003 Through May 31,
	2004	2003	2004
<S>	<C>	<C>	<C>
Operating expenses:			
General and administrative (Note 8)	$ 357,246	$ 30,229	$ 337,730
Depreciation	204	--	204
Total operating expenses	357,450	30,229	337,934
Operating loss	(357,450)	(30,229)	(337,934)
Interest income	343	--	343
Interest expense	(453)	--	(453)
Loss before income taxes	(357,560)	(30,229)	(338,044)
Income tax provision (Note 5)	--	--	--
Net loss	$ (357,560)	$ (30,229)	$ (338,044)
Basic and diluted loss per share	$ (0.05)	$ (0.01)	
Basic and diluted weighted average common shares outstanding	6,557,362	5,362,640	

</TABLE>

RISK FACTORS

RISKS RELATED TO OUR FINANCIAL CONDITION

OUR ACCOUNTANT HAS EXPRESSED A SUBSTANTIAL DOUBT THAT WE CAN CONTINUE AS A GOING CONCERN. IF WE DO NOT CONTINUE AS A GOING CONCERN, INVESTORS COULD LOSE THEIR ENTIRE INVESTMENT.

We have accumulated losses since our inception, and our independent accountant has expressed that there is a substantial doubt that we may continue as a going concern. If we do not continue as a going concern, there will be no way for investors to recoup their investments.

WE ARE A NEW BUSINESS WITH A LIMITED OPERATING HISTORY AND NO REVENUES TO DATE AND CANNOT COMMENCE OPERATIONS UNLESS WE CAN OVERCOME THE MANY OBSTACLES WE FACE.

We are a development-stage company with no prior business operations and no revenues. We are presently engaged in the early stage development of certain

potential drugs. Unless we are able to secure adequate funding, we may not be able to successfully develop and market our potential drugs and our business will most likely fail. Because of our limited operating history, you may not have adequate information on which you can base an evaluation of our business and prospects. To date, our efforts have been allocated primarily to the following: aggressively patenting our technology; organizational activities; developing a business plan; obtaining interim funding; and conducting research and working toward the ultimate successful development of our potential drugs. In order to establish ourselves in the bio pharmaceutical market, we are dependent upon funding by sales of our securities and the successful development and marketing of our potential drugs. As a research and development company, we face increased risks, uncertainties, difficulties and expenses such that an investment in our common stock may be worthless if our business fails.

We have a history of losses and a large accumulated deficit and we expect future losses that may cause our stock price to lose its value.

For the fiscal years ended May 31, 2003 and May 31, 2004, we incurred net losses of $30,229 and $357,560 , respectively, for a total cumulative net loss since inception of $387,789 9. We expect to lose more money as we spend additional capital to develop and market our technologies and establish our infrastructure and organization to support anticipated operations. We cannot be certain whether we will ever earn a significant amount of revenues or profit, or, if we do, that we will be able to continue earning such revenues or profit. Also, the current economic weakness may limit our ability to develop and ultimately market our technologies. Any of these factors could cause our stock price to decline and result in you losing a portion or all of your investment.

RISKS RELATED TO OUR BUSINESS

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OUR INABILITY TO RETAIN AND ATTRACT KEY PERSONNEL COULD CAUSE OUR BUSINESS TO FAIL.

We believe that our future success will depend on the abilities and continued service of certain of our senior management and executive officers, particularly our president and CEO and those persons involved in the research and development of our potential drugs. If we are unable to retain the services of these persons, or if we are unable to attract additional qualified employees, researchers and consultants, we may be unable to successfully finalize and eventually market our drugs being developed, which would have a material adverse effect on our business.

OUR RESEARCH AND DEVELOPMENT EFFORTS MAY NOT RESULT IN COMMERCIALLY VIABLE POTENTIAL DRUGS WHICH COULD RESULT IN A LOSS OF INVESTMENT.

Our technologies are in the development stage. Further research and development efforts will be required to develop these technologies to the point where they can be incorporated into commercially viable or salable potential drugs. We have set forth in this report our proposed research and development program as it is currently conceived. We cannot assure you, however, that this program will be accomplished in the order or in the time frame set forth. We reserve the right to modify the research and development program. We may not succeed in developing commercially viable potential drugs from our technologies. If not, our ability to generate revenues from our technologies will be severely limited. This would result in the loss of all or part of your investment.

OUR POTENTIAL DRUGS HAVE NOT YET BEEN EXTENSIVELY TESTED ON HUMANS, AND THEIR EFFICACY IS NOT YET KNOWN. IF WE CANNOT DEVELOP EFFECTIVE POTENTIAL DRUGS, OUR BUSINESS WILL FAIL.

There are numerous legal, scientific and regulatory risks that may prevent us from carrying out its project to develop the proposed antibody therapy to treat HIV disease and AIDS. Investment in CytoDyn must be considered highly speculative because, among other reasons, only limited testing on humans has been conducted. It is possible that proposed therapies will not be effective for treating HIV disease or AIDS or that they will have adverse side effects on human subjects which will prohibit or undermine their intended use. Consequently, investment in our securities involves a high degree of risk and only those persons of adequate financial means, who have no need for liquidity with respect to the investment, and can bear the risk of losing all or part of the investment, are suitable for such investment.

IN ORDER TO CREATE OUR POTENTIAL DRUGS, WE WILL NEED TO LICENSE OR PURCHASE CLONES. IF WE ARE UNABLE TO DO SO, WE MAY NOT BE ABLE TO CONTINUE DEVELOPMENT OF OUR POTENTIAL DRUGS.

The patents licensed by us cover the use of certain antibodies to treat HIV disease. Antibodies are produced in a process similar to that of making wine. A seed or "clone" is planted to grow a cellbank. The cell bank is then used to grow a crop of cells. Cells are harvested from the cell bank and then fermented or otherwise processed to make raw antibodies. Finally, the raw antibodies are purified and vialed using an FDA approved method. CytoDyn does not currently own or license the clones used to produce antibodies. We have not yet commenced negotiations with the owners of the needed clones, and there can be no assurance that we will be able to obtain such an agreement. In the event we are unable to obtain a clone license, our use of the antibody will be restricted to research only. In order to protect our potential drugs, we must be able to license the clones, and no such license has yet been negotiated.

WE ARE DEPENDENT UPON PATENTS LICENSED FROM ALLEN D. ALLEN. THE FAILURE TO MAINTAIN THESE LICENSES MAY CAUSE OUR BUSINESS TO FAIL.

We currently have the right to use patent and proprietary rights which are material to the development of our HIV treatments, by assignment of a license from Allen D. Allen, the owner of the patents. The license requires us to defend the licensed patents from infringement. If we were to fail to defend or maintain patents or other protections of the licensed patents and proprietary technology, it may have a materially adverse effect on our ability to develop our potential drugs.

WE MAY NOT HAVE OPPORTUNITIES TO ENTER INTO STRATEGIC PARTNERSHIPS FOR THE COMMERCIALIZATION OF OUR TECHNOLOGIES WHICH COULD HAVE A SEVERE NEGATIVE IMPACT ON OUR ABILITY TO MARKET OUR POTENTIAL DRUGS.

We intend to enter into strategic partnerships or other relationships with established biomedical, pharmaceutical and biopharmaceutical companies to obtain the necessary regulatory approvals and to undertake the manufacturing and marketing efforts required for commercializing our potential drugs. However, we do not have commitments at this time from any potential partners. If we are unable to enter into any new partnerships, then we may be unable to commence the commercialization of our potential drugs.

A MARKET FOR OUR POTENTIAL DRUGS MAY NOT DEVELOP, CAUSING A FAILURE OF OUR BUSINESS.

Our future success will depend, in part, on the market acceptance, and the timing of such acceptance, of new potential drugs or technologies that may be developed or acquired. To achieve market acceptance, we must make substantial marketing efforts and spend significant funds to inform potential customers and the public of the perceived benefits of these potential drugs. We currently have limited evidence on which to evaluate the market reaction to potential drugs that may be developed, and there can be no assurance that any potential drugs will obtain market acceptance and fill the market need that is perceived to exist.

OUR BUSINESS DEPENDS ON OUR ABILITY TO PROTECT OUR PROPRIETARY TECHNOLOGY. IF WE CANNOT PROTECT IT, OUR BUSINESS MAY FAIL.

We have entered, and will continue to enter, into confidentiality agreements with our employees, consultants, advisors and collaborators. Corinne Allen our Vice President of Business Development and Wellington Ewen our Chief Financial Officer, have entered into Proprietary Information and Inventions Agreements in order to protect our proprietary information. Allen D. Allen as the Inventor of the technology is bound under the Patent License Agreement licensed to CytoDyn. However, these parties may not honor these agreements and we may not be able to successfully protect our rights to unpatented trade secrets and know-how. Others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets and know-how. Although we encourage and expect all of our employees to abide by any confidentiality agreement with a prior employer, competing companies may allege trade secret violations and similar claims against us. We may collaborate with universities and governmental research organizations which, as a result, may acquire part of the rights to any inventions or technical information derived from collaboration with them. To facilitate development and commercialization of a proprietary technology base, we may need to obtain licenses to patents or other proprietary rights from other parties. Obtaining and maintaining such licenses may require the payment of substantial amounts. In addition, if we are unable to obtain these types of licenses, our product development and commercialization efforts may be delayed or precluded. We may incur substantial costs and be required to expend substantial resources in asserting or protecting our intellectual property rights, or in defending suits against us related to intellectual property rights. Disputes regarding intellectual property rights could substantially delay product development or commercialization activities. Disputes regarding intellectual property rights might include state, federal or foreign court litigation as well as patent interference, patent reexamination, patent reissue, or trademark opposition proceedings in the United States Patent and Trademark Office. Opposition or revocation proceedings could be instituted in a foreign patent office. An adverse decision in any proceeding regarding intellectual property rights could result in the loss or limitation of our rights to a patent, an invention or trademark.

WE WILL ENGAGE CONTRACT MANUFACTURERS TO PRODUCE OUR POTENTIAL DRUGS, INCLUDING OUR POTENTIAL HIV DRUGS..

Our dependence on third party manufacturers creates a risk that the manufacturer will become unable to perform work for us, or perform it properly, or the manufacturer may go out of business. This would create a substantial delay in the development of our products, which would have a materially adverse effect on our business.

AS A PRODUCER OF POTENTIAL DRUGS, WE MAY BE EXPOSED TO PRODUCT LIABILITY AND RECALL RISKS FOR WHICH INSURANCE COVERAGE IS EXPENSIVE, LIMITED AND POTENTIALLY INADEQUATE.

We produce potential drugs, which, if approved for use by humans, subjects us to risks of product liability claims or product recalls, particularly in the event of false positive or false negative reports. The drug platform we are developing is also subject to product liability claims with respect to safety of the product, especially with regard to potential side effects. At the moment we have no product liability insurance, but even if we are successful in obtaining insurance for our potential drugs, a product recall or a successful product liability claim or claims that exceed our insurance coverage could have a material adverse effect on us. Product liability insurance is expensive. In the future we may not be able to obtain coverage on acceptable terms, if at all. Moreover, our insurance coverage may not adequately protect us from liability that we incur in connection with clinical trials or sales of our potential drugs.

OUR MANAGEMENT HAS SUBSTANTIAL VOTING CONTROL OVER ALL MATTERS

As of May 31, 2004, Allen D. Allen our president holds 2,118,515 and Corinne Allen, our Secretary and Vice President, holds 1,736,335 of our 8,069,307 shares of common stock outstanding. This gives them 47% voting control over all matters submitted to a vote of the shareholders. .

TECHNOLOGICAL CHANGES MAY RENDER OUR POTENTIAL DRUGS OBSOLETE.

The biopharmaceutical industry is subject to rapid and significant technological change, and the ability of CytoDyn to compete is dependent in large part on its ability continually to enhance and improve its potential drugs and technologies. In order to do so, CytoDyn must effectively utilize and expand its research and development capabilities, and, once developed, expeditiously convert new technology into potential drugs and processes which can be commercialized. Our competitors may succeed in developing technologies, potential drugs and processes that render our processes and potential drugs obsolete. Certain companies have filed applications for or have been issued patents and may obtain additional patents and proprietary rights relating to potential drugs or processes competitive with or otherwise related to those of CytoDyn. The scope and viability of these patents, the extent to which CytoDyn may be required to obtain licenses under these patents or under other proprietary rights and the cost and availability of licenses are unknown, but these factors may limit our ability to market potential drugs.

IT IS UNCERTAIN IF HEALTHCARE FACILITIES, PROVIDERS AND INSURANCE COMPANIES WILL APPROVE BENEFITS OR REIMBURSEMENT FOR THEIR MEMBERS FOR OUR POTENTIAL DRUGS, THUS RENDERING THEM MORE EXPENSIVE AND MORE DIFFICULT TO MARKET.

The industry is subject to changing political, economic and regulatory influences that may affect the procurement practices and operations of healthcare industry participants. During the past several years, state and federal government regulation of reimbursement rates and capital expenditures in the United States has increased. Lawmakers continue to propose programs to reform the United States healthcare system, which may contain programs to increase governmental involvement in healthcare, lower Medicare and Medicaid reimbursement rates or otherwise change the operating environment in the healthcare industry. Healthcare industry participants may react to these proposals by curtailing or deferring use of new treatments for disease, including treatments utilizing the biologics that CytoDyn is developing.

WE NEED TO RAISE AT LEAST $150,000 IN THE NEXT 12 MONTHS OR WE WILL NOT BE ABLE TO CONTINUE OUR BUSINESS.

We need to raise at least $75,000 in this offering. If we fail to do so, and are unable to raise at least $150,000 in the next 12 months by continuing to obtain capital or by borrowing funds, we will not be able to operate our business.

RISKS RELATED TO LEGAL PROCEEDINGS

MANAGEMENT'S RESPONSIBILITY IS TO PROTECT THE PATENTS, TRADEMARKS AND TECHNOLOGY. THIS INCLUDES LEGAL EXPENSES TO OPPOSE ATTEMPTS TO STEAL, CONVERT OR MISAPPROPRIATE OUR PROPERTY.

We have been targeted in the past and have had to spend significant legal fees to recover our property. We are currently incurring legal fees for this purpose. Please see disclosures on page 29 and 30 under "Legal Proceedings." If we are unsuccessful in opposing efforts to steal, convert or misappropriate our property, this could have a materially adverse effect on our business.

RISKS RELATED TO REGULATORY APPROVALS AND CLEARANCES

THE TIME NEEDED TO OBTAIN REGULATORY APPROVALS AND RESPOND TO CHANGES IN REGULATORY REQUIREMENTS COULD CAUSE OUR BUSINESS TO FAIL.

Our proposed and existing potential drugs are subject to regulation by the FDA and other governmental or public health agencies. In particular, we are subject to strict governmental controls on the development, manufacture, labeling, distribution and marketing of our potential drugs. In addition, we are required to obtain approval or registration with foreign governments or regulatory bodies

before we can import and sell our potential drugs in foreign countries. The process of obtaining required approvals or clearances from governmental or public health agencies can involve lengthy and detailed laboratory testing, human clinical trials, sampling activities and other costly, time-consuming procedures. The submission of an application to the FDA or other regulatory authority does not guarantee that an approval or clearance to market a product will be received. Each authority may impose its own requirements and delay or refuse to grant approval or clearance, even though a product has been approved in another country or by another agency. Moreover, the approval or clearance process for a new product can be complex and lengthy. This time span increases our costs to develop new potential drugs as well as the risk that we will not succeed in introducing or selling them in the United States or other countries. Newly promulgated or changed regulations could also require us to undergo additional trials or procedures, or could make it impractical or impossible for us to market our potential drugs for certain uses, in certain markets, or at all.

Failure to comply with FDA or similar international regulatory bodies or other requirements may require us to suspend production of our potential drugs which could result in further losses or inability to produce revenues.

We can manufacture and sell potential drugs, both in the United States and abroad, only if we comply with regulations of government agencies such as the FDA. We have implemented quality assurance and other systems that are intended to comply with applicable regulations in the United States. Although we believe that we have adequate processes in place to ensure compliance with these requirements, the FDA could force us to stop manufacturing our potential drugs if it concludes that we are out of compliance with applicable regulations. The FDA could also require us to recall potential drugs if we fail to comply with applicable regulations, which could force us to stop manufacturing such potential drugs. We will face similar risks when we establish our international manufacturing operations.

RISKS RELATED TO OUR COMMON STOCK

A PUBLIC MARKET FOR OUR SHARES MAY NEVER DEVELOP, MAKING THE SHARES ILLIQUID.

A public market for our shares may never develop. This may make it difficult or impossible for investors in our shares to sell them. If our shares are approved for a quotation on the over-the-counter market, they may be thinly traded and highly volatile.

IF A TRADING MARKET DEVELOPS IN OUR SECURITIES, IT WILL BE LIMITED, WHICH MAKES TRANSACTIONS IN OUR STOCK CUMBERSOME AND MAY REDUCE THE VALUE OF AN INVESTMENT IN OUR STOCK.

There is no current market for our common stock, but, if one develops, shares of our common stock are "penny stocks" as defined in the Exchange Act, which are traded in the over-the-counter market on the over-the-counter bulletin board. As a result, investors may find it more difficult to dispose of or obtain accurate quotations as to the price of the shares of the common stock being registered hereby. In addition, the "penny stock" rules adopted by the Securities Exchange Commission under the Exchange Act subject the sale of the shares of our common stock to certain regulations which impose sales practice requirements on broker/dealers. For example, brokers/dealers selling such securities must, prior to effecting the transaction, provide their customers with a document that discloses the risks of investing in such securities. Included in these documents are the following:

- the bid and offer price quotes in and for the "penny stock", and the number of shares to which the quoted prices apply.
- the brokerage firm's compensation for the trade.
- the compensation received by the brokerage firm's sales person for the trade.

In addition, the brokerage firm must send the investor:

- a monthly account statement that gives an estimate of the value of each "penny stock" in the investor's account.
- a written statement of the investor's financial situation and investment goals. Legal remedies, which may be available to you as an investor in "penny stocks", are as follows:
- if "penny stock" is sold to you in violation of your rights listed above, or other federal or state securities laws, you may be able to cancel your purchase and get your money back.
- if the stocks are sold in a fraudulent manner, you may be able to sue the persons and firms that committed the fraud for damages.

- if you have signed an arbitration agreement, however, you may have to pursue your claim through arbitration. If the person purchasing the securities is someone other than an accredited investor or an established customer of the broker/dealer, the broker/dealer must also approve the potential customer's account by obtaining information concerning the customer's financial situation, investment experience and investment objectives. The broker/dealer must also make a determination whether the transaction is suitable for the customer and whether the customer has sufficient knowledge and experience in financial matters to be reasonably expected to be capable of evaluating the risk of transactions in such securities. Accordingly, the Securities and Exchange Commission's rules may limit the number of potential purchasers of the shares of

our common stock. Resale restrictions on transferring "penny stocks" are sometimes imposed by some states, which may make transaction in our stock more difficult and may reduce the value of the investment. Various state securities laws pose restrictions on transferring "penny stocks" and as a result, investors in our common stock may have the ability to sell their shares of our common stock impaired.

FORWARD LOOKING STATEMENTS

Some of the statements contained in this prospectus or incorporated by reference into this prospectus are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are subject to the safe harbor created by the Securities Litigation Reform Act of 1995. We have based these forward-looking statements largely on our expectations and projections about future events and financial trends affecting the financial condition and/or operating results of our business. Forward-looking statements involve risks and uncertainties. There are important factors that could cause actual results to be substantially different from the results expressed or implied by these forward-looking statements, including, among other things:

- our ability to complete and achieve positive results in clinical trials;
- our ability to develop safe and efficacious products;
- our ability to comply with existing and future regulations affecting our business and obtain regulatory approvals for our products that are under development;
- our ability to commercialize our products that are under development;
- the extent to which the costs of any products that we are able to commercialize will be reimbursable by third-party payors;
- the extent to which any products that we are able to commercialize will be accepted by the market;
- our ability to protect our proprietary rights and operate our business without conflicting with the rights of others;
- the effect that any intellectual property litigation or product liability claims may have on our business and operating and financial performance;
- our expectations and estimates concerning our future operating and financial performance, ability to finance our business, and financing plans;
- our dependence on third party suppliers and manufacturers to produce products that we develop;

- the impact of competition and technological change on our business;
- our ability to recruit and retain key personnel;
- our ability to enter into future collaboration agreements;
- anticipated trends in our business; and
- other factors set forth in greater detail under "RISK FACTORS" above and in our future filings made with the Securities and Exchange Commission, which are incorporated by reference in this prospectus, and any risk factors set forth in the accompanying prospectus supplement.

In addition, in this prospectus and the documents incorporated by reference into this prospectus, the words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "plan," "expect," "potential," "continue," or "opportunity," the negative of these words or similar expressions, as they relate to us, our business, future financial or operating performance or our management, are intended to identify forward-looking statements. We do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Past financial or operating performance is not necessarily a reliable indicator of future performance and you should not use our historical performance to anticipate results or future period trends.

USE OF PROCEEDS

The proceeds to CytoDyn from the sale of the 250,000 shares of common stock offered hereby are estimated to be approximately $187,500. CytoDyn expects to use such net proceeds approximately as follows:

Application of Proceeds	Approximate Dollar Amount	Percentage of Net Proceeds
Proceeds	$ 187,500	
Offering Expenses	(40,524)	
Net proceeds	$ 146,976	
Working capital and general corporate purposes	$ 146,976	100%

Proceeds from this offering will NOT BE sufficient to take our drug through Phase II/III pivotal trials, which is expected to cost an estimated $3,000,000 to $5,000,000.

The proceeds of $146,976 will be used for corporate administrative expenditures related to FDA and SEC compliance including our overhead for six months, legal fees, accounting fees and other filing fees. The purpose of this offering is to establish a public market for our stock. Once a market has been established, our officers will then attempt to locate and negotiate financing from additional equity offerings with the goal of raising $3 to $5 million. We believe that $3 to $5 million should be sufficient to fund the Phase II/III pivotal clinical trials and cover the costs of preparing and submitting a BLA. We anticipate this will take at least six months to raise this additional capital. We have no current arrangements with respect to, or sources of, additional financing and it is not anticipated that any of our officers, directors or shareholders will provide any portion of our financing requirements. There can be no assurance that, when needed, any additional financing will be available to us on commercially reasonable terms, or at all. In the event our plans change, or our assumptions change or prove to be inaccurate, or if the net proceeds of this offering, together with other capital resources, otherwise prove to be insufficient to fund operations, we could be required to seek additional financing sooner than currently anticipated.

The allocation of the net proceeds of this offering set forth above represents our best estimates based upon its current plans and certain assumptions regarding our future revenues and expenditures. If any of these factors change, CytoDyn may find it necessary or advisable to reallocate some of the proceeds within the above-described categories or to use portions thereof for other purposes.

Proceeds not immediately required for the purposes described above will be invested principally in United States Government securities, bank certificates of deposit, money market funds or other short-term interest-bearing investments.

DIVIDEND POLICY

To date, we have not declared or paid any cash dividends on our Common Stock and do not expect to declare or pay any dividends in the foreseeable future. Instead, we intends to retain all earnings, if any, for use in our business operations.

DILUTION

The difference between the public offering price per share of the common stock and the pro forma net tangible book value per share of the common stock after completion of this offering constitutes the dilution to investors in this offering. Net tangible book value per share on any given date is determined by dividing our net tangible book value (total tangible assets less total liabilities) on such date by the number of outstanding shares of Common Stock.

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At May 31, 2004, the net tangible book value of CytoDyn was $.00001 per share of Common Stock. After giving effect to the sale by CytoDyn of one third of the 250,000 shares of Common Stock offered hereby or 83,333 shares, the pro forma net tangible book value of CytoDyn at May 31, 2004 would have been $62,620, or approximately $.008 per share of common stock. This represents an immediate increase in net tangible book value of $.008 per share to the existing shareholders and an immediate dilution of $0.74 per share to new investors. The following table illustrates this dilution to new investors on a per share basis:

Public offering price per share of common stock	$0.75
Net tangible book value per share before offering	$0.00001
Increase per share attributable to new investors.....	$0.08
Net tangible book value per share after offering	0.008
Dilution per share to new investors	$0.74
Percentage dilution.....	74%

The following table is a comparison of the number of shares purchased, the

percentage of shares purchased, the total consideration paid, the percentage of total consideration paid, and the average price per share paid by the existing stockholders and by new investors, assuming the sale of one third of the 250,000 shares in this offering or 83,333 shares.

	Number of Shares	Purchase Price	Percentage of Shares	Percentage of Consideration	Average price per share
<S>	<C>	<C>	<C>	<C>	<C>
New Investors	83,333	$ 62,500	1%	10%	0.75
Existing Investors	8,069,307	$ 573,664	99%	90%	0.07

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At May 31, 2004, the net tangible book value of CytoDyn was $.0002 per share of Common Stock. After giving effect to the sale by CytoDyn of two thirds of the 250,000 shares of Common Stock offered hereby or 166,666 shares, the pro forma net tangible book value of CytoDyn at May 31, 2004 would have been $125,120 or approximately $.015 per share of common stock. This represents an immediate increase in net tangible book value of $.01 per share to the existing shareholders and an immediate dilution of $0.74 per share to new investors. The following table illustrates this dilution to new investors on a per share basis:

Public offering price per share of common stock	$0.75
Net tangible book value per share before offering.....	$0.00001
Increase per share attributable to new investors.....	$0.007
Net tangible book value per share after offering.....	0.01
Dilution per share to new investors.....	$0.74
Percentage dilution.....	74%

The following table is a comparison of the number of shares purchased, the percentage of shares purchased, the total consideration paid, the percentage of total consideration paid, and the average price per share paid by the existing stockholders and by new investors, assuming the sale of two thirds of the 250,000 shares in this offering or 166,666 shares.

	Number of Shares	Purchase Price	Percentage of Shares	Percentage of Consideration	Average price per share
<S>	<C>	<C>	<C>	<C>	<C>
New Investors	166,666	$ 125,000	2%	%18	0.75
Existing Investors	8,069,307	$ 573,664	97%	%82	0.07

</TABLE>

At May 31, 2004, the net tangible book value of CytoDyn was $.0002 per share of Common Stock. After giving effect to the sale by CytoDyn of all 250,000 shares of Common Stock offered hereby, the pro forma net tangible book value of CytoDyn at May 31, 2004 would have been $187,620 or approximately $.02 per share of common stock. This represents an immediate increase in net tangible book value of $.02 per share to the existing shareholders and an immediate dilution of $0.73 per share to new investors. The following table illustrates this dilution to new investors on a per share basis:

Public offering price per share of common stock	$0.75
Net tangible book value per share before offering.....	$0.0001
Increase per share attributable to new investors.....	$0.007
Net tangible book value per share after offering.....	0.02
Dilution per share to new investors.....	$0.73
Percentage dilution.....	73%

<TABLE>
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The following table is a comparison of the number of shares purchased, the percentage of shares purchased, the total consideration paid, the percentage of total consideration paid, and the average price per share paid by the existing stockholders and by new investors, assuming the sale of all 250,000 shares in this offering.

	Number of Shares	Purchase Price	Percentage of Shares	Percentage of Consideration	Average price per share
<S>	<C>	<C>	<C>	<C>	<C>
New Investors	250,000	$ 187,500	3%	%25	0.75
Existing Investors	8,069,307	$ 573,664	97%	%75	0.07

</TABLE>

BUSINESS

Organization

In October 2003 we entered into an Acquisition Agreement with CytoDyn of New Mexico, Inc, pursuant to which we effected a two for one reverse split of our common stock, and amended our articles of incorporation to change our name from Rexray Corporation to CytoDyn, Inc. Pursuant to the acquisition agreement, we acquired a patent license agreement dated July 1, 1994 between CytoDyn of New Mexico and Allen D. Allen covering three United States patents along with foreign counterpart patents which describe a method for treating HIV disease with the use of monoclonal antibodies. We also acquired the trademarks, CytoDyn and Cytolin, and a related trademark symbol. As consideration for the intellectual property and trademarks we paid CytoDyn of New Mexico $10,000 in cash and issued 5,362,640 post-split shares of common stock to CytoDyn of New Mexico.

We believe that sufficient private capital is not readily available for development stage biotechnology companies until Phase II clinical trials have been announced or completed. Consequently, emerging biotechnology companies often fund their clinical trials by creating a public market for their shares and selling equity securities in public transactions.

As a result, we are seeking to fund drug development through offerings of public securities while minimizing administrative and legal costs. We desire to minimize costs and expenses that do not advance drug development, especially since legal and administrative costs are significant in the biotechnology sector. The company has two full time employees, Allen D. Allen, CEO and Corinne Allen Vice President of Business Development, and one part time employee, Wellington Ewen, CFO. In the last two fiscal years, there have not been any research and/or development expenditures. The company had previously licensed the technology out for development and had not been an operating business. Therefore, the company's expenditures in the last two fiscal years have been for general and administrative purposes, legal fees, and patent protection.

The Biotechnology Industry

We estimate that approximately 4,000 biotech companies are operating around the world today, about 1,500 of which are in the United States. According to Biotechnology Industry Organization: Biotechnology Industry Statistics, 2003, revenues of U.S. biotech companies increased from about $8 billion in 1992 to about $34.8 billion in 2001. In 1990, the market capitalization of public companies in the biotechnology industry was less than $50 billion. By April of 2003, the market capitalization was estimated to be $206 billion. More than 370 biotechnology drug products and vaccines are currently in human trials in the U.S., and we estimate that there are hundreds more in development. The number of U.S. patents issues annually to biotechnology companies has climbed from about 2,500 in 1992 to about 7,760 in 2002.

Background on HIV and AIDS

UNAIDS, the Joint United Nations Programme on HIV/AIDS, estimates that 40 million people were living with HIV/AIDS in 2003, reflecting a steady increase since 1999, especially in sub-Saharan Africa, as well as in Asia and the Pacific, Eastern Europe and Central Asia. According to the AIDS epidemic update, December 2003, in 2003, about 3 million people died from HIV/AIDS, and another 5 million contracted the disease. In the United States, the Centers for Disease Control and Prevention estimates that as of the end of 2002, about 530,000 people were living with HIV, of whom about 384,900 were living with AIDS, the full-blown Acquired Immune Deficiency Syndrome that develops from HIV. During 2002, over 35,000 new cases of HIV were reported in the United States. No cure is currently known for HIV.

The human immune system is the body's primary defense against disease. It consists of a vast number of specialized cells and proteins that assist in detecting and destroying foreign organisms and eliminating disease cells. Normally, the body's immune system can distinguish between normal cells and those that appear to be foreign by recognizing proteins, or antigens. CD4 "watch dog" cells identify foreign cells, and the immune system launches an antibody response against the foreign organisms or cells.

HIV triggers a flaw in the human immune system that leads to its destruction. Patients with HIV proliferate CD8 "killer" cells, which kill off CD4 watch dog cells, whether healthy or not, leading to the loss of immune function. But for this flaw, HIV infection in humans might be similar in character to the infection in other primates, which can be infected with HIV without the destruction of their immune systems because their CD8 killer cells do not destroy their CD4 cells. The destruction of CD4 cells in humans leaves those persons susceptible to certain cancers and other infections that would normally not be fatal to a person with a normal number of CD4 cells.When AIDS first surfaced in the United States, no medicines were available to combat the underlying immune deficiency, and few treatments were available to combat the diseases that resulted. Since then, the FDA has approved a number of drugs in two groups, both antivirals, for treating HIV infection. These groups are:

- Drugs that interrupt an early stage of the virus making copies of itself; and
- Drugs that treat HIV infection by interrupting virus replication at a

later step in the virus' life cycle.

Frequently, these two groups of drugs are used in combinations for treatment. Treatment with these drugs, whether alone or in combination, has two primary drawbacks: the virus can mutate to avoid the attack, rendering the drugs ineffective, and the side effects can be severe. Some of the first group of drugs can cause a decrease of red or white blood cells, especially when taken in later stages of the disease. Some may also cause inflammation of the pancreas and painful nerve damage, in addition to other severe reactions. The most common side effects in the second group of drugs include nausea, diarrhea, and other gastrointestinal symptoms. This second group can also interact with other drugs to produce severe side effects. Current research and development for HIV is focused on therapies to reduce the side effects of the antiviral drugs so as to enhance the efficacy of existing treatments and delay the progression of the HIV virus.

Potential drugs
Cytolin

Our president, Allen D. Allen, has been researching treatments for HIV and AIDS since 1987. He identified a family of monoclonal antibodies that protect the CD4 watchdog cells from the CD8 killer cells of the immune systems of people infected with HIV. He received three U.S. patents and additional foreign counterpart patents, now licensed to us, covering the use of these antibodies for treating patients with HIV. Our leading drug candidate, Cytolin, is based on a monoclonal antibody that protects CD4 cells from CD8 cells, thus preventing the weakening of the immune system.

In 1993, a small group of scientists and doctors treated six HIV-infected patients with Cytolin. Blood and skin tests of these patients demonstrated that the antibody was producing improvements in the immune function of each patient.

In 1995, subacute and acute toxicology studies found Cytolin safe to administer to humans.

A relatively small number of physicians in the United States administered Cytolin to their HIV-infected patients over two years. As results from this initial use became available, other physicians obtained and administered Cytolin to their patients as well. Four of the doctors using Cytolin allowed CytoDyn's predecessor to send in an independent Institutional Review Board to inspect the medical records of 188 patients treated with Cytolin once or twice a month over 18 months. Data were recorded and summarized and formed part of the material presented to the FDA as an early indication of the safety and potential efficacy of Cytolin.

In 1996, the FDA approved a drug master file, designated BB-DMF#6836, for the manufacture of Cytolin at Vista Biologicals Corporation. CytoDyn of New Mexico and Vista Biologicals Corporation worked cooperatively to develop the drug master file. In accord with the practice of the FDA, the drug master file was issued to and became the property of the entity with the capacity to manufacture the drug, in this case Vista Biologicals Corporation. By contract with Vista Biologicals Corporation, CytoDyn of New Mexico had the exclusive right to reference the drug master file, that is, to authorize Vista Biologicals Corporation to manufacture Cytolin in accordance with the terms of the drug master file.

In 1996, the FDA also designated our investigational new drug application for Cytolin as BB-IND #6845, and subsequently approved a clinical trial.

In 2002, Symbion Research International, a contract research organization, completed a Phase I a/b clinical trial of Cytolin. The trial was sponsored by Amerimmune, Inc, the previous licensee of CytoDyn of New Mexico but Symbion was never paid for its work. As a result, its work product now belongs to Symbion. See "Legal Proceedings." The Phase Ia study, conducted in 13 subjects suffering from HIV/AIDS, found Cytolin to be safe and well tolerated. The initial safety study affirmed the safety and tolerability of the drug in these dose groups, as well as preliminary efficacy in lowering the concentration of HIV by up to one log (measurement of efficacy) and increasing T-cell counts in the study's patient population with no severe adverse events reported. Some of the data were presented as an abstract and poster session, entitled `Phase I Study of Anti-LFA-1 Monoclonal Antibody (Cytolin(R)) in Adults with HIV Infection" at the 9th Conference on Retroviruses and Opportunistic Infections held in Seattle, Washington on February 24-28, 2002.

We intend to develop Cytolin and other antobodies covered by the licensed patents as a treatment for HIV/AIDS in the U.S. and other countries. However, we must raise sufficient capital in order to pursue these objectives.

Other Potential Drugs
- ---------------------

We have entered into a confidential letter of intent with another biotech company for a joint development of a new drug to treat Biopolar Disorder. There is no guaranty that this effort will be made or will result in a successful new treatment for Bipolar Disorder.

Product Liability Insurance

The testing, marketing and sale of therapeutic products for use in humans entail an inherent risk of allegations of product liability, and there can be no assurance that product liability claims will not be asserted against us. We have not obtained product liability insurance, and there can be no assurance that we will be able to obtain insurance coverage in the future on acceptable terms or that any claims against us will not exceed the amount of such coverage.

Government Regulation

The production and marketing of therapeutic products for use in humans and related research and development activities are subject to regulation by numerous governmental authorities in the United States and other countries. In the United States, such products and research are subject to FDA review for safety and efficacy. The Federal Food, Drug and Cosmetic Act, the Public Health Service Act and other federal statutes and regulations govern or influence the testing, manufacture, safety, labeling, storage, record keeping, approval, advertising and promotion of drugs. Noncompliance with applicable requirements can result in criminal prosecution and fines, recall or seizure of potential drugs, total or partial suspension of production, refusal of the government to approve Biological License Applications, BLAs, Product License Applications, PLAs, New Drug Applications, NDAs, or refusal to allow us to enter into supply contracts. The FDA also has the authority to revoke product licenses and establishment licenses previously granted.

In order to obtain FDA approval to market a new biological or pharmaceutical product, we must submit proof of product safety, purity, potency and efficacy, and reliable manufacturing capability, which will require us to conduct extensive laboratory, preclinical and clinical tests. This testing, as well as preparation and processing of necessary applications, is expensive, time-consuming and often takes several years to complete. There is no assurance that the FDA will act favorably in making such reviews. We may encounter significant difficulties or costs in our efforts to obtain FDA approvals, which could delay or preclude us from marketing any potential drugs that we may develop. The FDA may also require post marketing testing and surveillance to monitor the effects of marketed products or place conditions on approvals that could restrict the commercial applications of products. Product approvals may be withdrawn if problems occur following initial marketing, such as compliance with regulatory standards not being maintained. With respect to patented potential drugs or technologies, delays imposed by governmental marketing approval processes may materially reduce the period during which we will have the exclusive right to exploit patented potential drugs or technologies. Refusals or delays in the regulatory process in one country may make it more difficult and time consuming for us to obtain marketing approvals in other countries.

The FDA approval process for a new biological or pharmaceutical product involves completion of preclinical studies and the submission of the results of these studies to the FDA in an Initial New Drug application, which must be approved before human clinical trials may be conducted. The results of preclinical and clinical studies on biological or pharmaceutical products are submitted to the FDA in the form of a BLA, PLA or NDA for approval to commence commercial sales. In responding to a BLA, PLA or NDA, the FDA may require additional testing or information, or may deny the application. In addition to obtaining FDA approval for each biological or chemical product, an Establishment License Application, ELA, must be filed and the FDA must inspect and license the manufacturing facilities for each product. Product sales may commence only when both BLA/ PLA/ NDA and ELA are approved. In certain instances in which a treatment for a rare disease or condition is concerned, the manufacturer may request the FDA to grant the drug product Orphan Drug status for a particular use. In this event, the developer of the drug may request grants from the government to defray the costs of certain expenses related to the clinical testing of such drug and be entitled to marketing exclusivity and certain tax credits. We may seek Orphan Drug designation in the future for proposed potential drugs. If these potential drugs are the first such potential drugs approved, we may be entitled to seven year marketing exclusivity in the U.S. for these potential drugs once regulatory approval has been obtained. The seven year period of exclusivity applies only to the particular drug for the rare disease or condition for which the FDA has designated the product an Orphan Drug. Therefore, another manufacturer could obtain approval of the same drug for an indication other than ours or could seek Orphan Drug status for a different drug for the same indication.

Sales of biological and pharmaceutical potential products outside the United States are subject to foreign regulatory requirements that vary widely from country to country. Whether or not FDA approval has been obtained, approval of a product by a comparable regulatory authority of a foreign country must generally be obtained prior to the commencement of marketing in that country.

Our contract manufacturers will also subject to regulation by the Occupational Safety and Health Administration ("OSHA") and the Environmental Protection Agency ("EPA") and to regulation under the Toxic Substances Control Act, the Resource Conservation and Recovery Act and other regulatory statutes, and may in the future be subject to other federal, state or local regulations.
Properties

We signed a consulting contract with Symbion Research International Inc, the contract research organization that prepared the Phase Ia/b clinical trials of Cytolin. See Exhibit . Peggy C. Pence, Phd, Symbion Research International's founder, is also on the Board of Directors of CytoDyn, Inc. We will be

attempting to obtain permission to advance to a Phase II/III pivotal study on Cytolin.

Currently there is no FDA review in progress. We will not know for sure if certain studies will be required and what the total costs of such studies until we have a meeting with the FDA which we expect to take place within the next six months. We estimate that the cost for the "End of Phase I/Pre- Phase II" meeting with the FDA will be $50,000 to $100,000. We also estimate costs for the Phase II/III Pivotal Study will be $1,250,000 to $1,750,000. We expect the Phase II/III Pivotal Study to take 24 to 42 months to complete and cost $2,050,000 to $3,350,000. In addition to these estimated costs, we believe the manufacturing and supply costs to be $350,000 to $450,000.

We have recently relocated our principal offices to 200 West De Vargas St., Suite 1, Santa Fe, NM 87501. Management believes the office space is adequate for our needs and it is adequately insured. The telephone number is 1-877-988-5520 and the fax number is 1-800-417-7252.

Patents

We have licensed the following patents:

U.S. Patent Nos. 5424066 ("Method for increasing CD4+ cell numbers through the use of monoclonal antibodies directed against self-reactive, CD4 specific cytotoxic T-cells,") 5651970 ("Method for inhibiting disease associated with the Human Immunodeficiency Virus through the use of monoclonal antibodies directed against anti-self cytotoxic T-lymphocytes or their lytics",) and 6534057 ("Method for increasing the delayed-type hypersenstivity response by infusing LFA-1-specific antibodies"), and foreign counterparts.

We have also licensed the following foreign patents: United Kingdom, Germany, Switzerland, France, Italy, Netherlands, Portugal, Spain and Sweden. These patents are the equivalent of the U.S. Patent No. 5424066. There is also a European patent pending which would be the equivalent of U.S. Patents No. 5651970.

CytoDyn owns the registered trademarks, CytoDyn and Cytolin, and a related trademark symbol.

Competition

The pharmaceutical industry is an expanding and rapidly changing industry characterized by intense competition. CytoDyn will compete with other more established biotechnology companies with greater financial resources than us. Our potential competitors include entities that develop and produce therapeutic agents for treatment of human and animal disease. These include numerous public and private academic and research organizations and pharmaceutical and biotechnology companies pursuing production of, among other things, biologics from cell cultures, genetically engineered drugs and natural and chemically synthesized drugs. Almost all of these potential competitors have substantially greater capital resources, research and development capabilities, manufacturing and marketing resources and experience than CytoDyn. Our competitors may succeed in developing potential drugs or processes that are more effective or less costly than any that may be developed by CytoDyn, or that gain regulatory approval prior to our potential drugs. Worldwide, there are many antiviral drugs for treating HIV and AIDS. In seeking to manufacture, distribute and market the various potential drugs we intend to develop, we face competition from established pharmaceutical companies. All of our potential competitors in this field have considerably greater financial and personnel resources than we possess. Also, based on the premise that HIV patients lose their CD4 cells because of the way some white blood cells stick together in people infected with the virus, Johns Hopkins Medical School owns patents on specific antibodies which are believed to prevent the clumping of white blood cells, which is known as syncytia. It is possible that these antibodies may be licensed by Johns Hopkins and marketed in competition with Cytolin. CytoDyn also expects that the number of its competitors and potential competitors will increase as more potential drugs receive commercial marketing approvals from the FDA or analogous foreign regulatory agencies. Any of these competitors may be more successful than CytoDyn in manufacturing, marketing and distributing its potential drugs. There can be no assurance that CytoDyn will be able to compete successfully.

Employees

We have two full time and employees and one part time employee, engaged in management and product development. CytoDyn is severely understaffed and will expand its employee force upon completion of this offering. There can be no assurance we will be able to locate or secure suit able employees upon acceptable terms in the future. Corinne Allen, Allen Allen and Wellington Ewen have entered into Personal Services Agreement with the Company to provide professional services to us for two years.

Legal Proceedings

Los Angeles Superior Court Case No. BC 290154.

Allen D. Allen and CytoDyn of New Mexico had previously licensed the CytoDyn patents, trademarks and technology to Amerimmune Inc, a Colorado Corporation, a wholly owned subsidiary of Amerimmune Pharmaceuticals, Inc. (API) a publicly traded Colorado Corporation. According to certified records from the Secretary of State of Colorado, API was dissolved on June 1, 2001. There was a failed attempt by API to create a Bankruptcy Chapter 7 estate in the state of Nevada in April 2004 (Case No. BK-S-03-13919 - LBR). The U.S. Trustee dismissed the bankruptcy petition filed by API after Rex Lewis, the former CEO, was denied a motion to purchase all of the assets of API, if any, from the bankruptcy trustee for $10,000.

Furthermore on page 12 of API's Form 10QSB for the quarter ending June 30, 2001, API denied that Allen had the right to inspect API's manufacturing process, despite the clear granting of this right in the licensing agreement See Exhibit 10.4. In light of these facts federal case law imposed an affirmative duty on CytoDyn of New Mexico, as the registered owner of the trademark "Cytolin" to sue API's officers and directors, to prevent the fraudulent use of the trademark. We had filed suit against the former officers and directors of API in Los Angeles Superior Court Case No. BC 290154. We were seeking treble damages of the research and development costs that we spent to get approval for clinical trials from the FDA.

The judge dismissed our case stating that our attorney did not provide the evidence in an orderly logical fashion. We may appeal this case if it is cost effective given our other remedies available to us.

Mr. Lewis retaliated with a cross complaint against the officers and directors of CytoDyn of New Mexico, some of whom are also our officers and directors. The officers and directors will continue to defend the cross complaint. Management believes that the cross complaint is without merit and that chances for an unfavorable outcome are remote.

CytoDyn, Inc., et al. v. Amerimmune, Inc. et al., Case number SC039250, California Superior Court in and for the County of Ventura. The action was filed on April 21, 2004. CytoDyn and Allen D. Allen were the plaintiffs. The defendants were Amerimmune Inc., its parent Amerimmune Pharmaceuticals, Inc., and unknown others designated as "Does 1-100".

The action concerned a Conditional License Agreement, dated February 24, 2000, between Allen D. Allen and CytoDyn of New Mexico, on one hand, and Amerimmune, Inc., on the other. The complaint alleged that the Conditional License Agreement licensed to the defendants technology and patents related to Cytolin and assigned to defendants an FDA approved investigational new drug application related to Cytolin. Further, it alleged that the defendants breached the Conditional License Agreement, resulting in its termination.

The principal relief sought was a declaration that the license granted and the assignment of the technology, patents and drug application made pursuant to the Conditional License Agreement were terminated no later than September 12, 2001, and that Allen and we are the owners of the technology, patents and investigational new drug application, free of any claims of the defendants. Costs, attorney's fees, and other "just and proper" relief also were sought.

This case was decided in favor of the plantiffs, CytoDyn and Allen October 4, 2004. The declaratory relief sought and attorneys' fees were awarded.

Symbion Research International, Inc., v. Amerimmune, Inc. et al., Case number SC035668, California Superior Court in and for the County of Ventura.

The complaint was filed on March 14, 2003. Symbion Research International, Inc was the plaintiff. Amerimmune, Inc. was the remaining defendant. We were not a party to this action, however the action affects intellectual property which is important to us.

The action concerned intellectual property generated in connection with services provided by Symbion with respect to early phase FDA clinical trials of Cytolin, including research data and a patent application filed in 2002. The complaint alleges that Symbion performed early phase FDA trials (designated in the Complaint as "Phase Ia" and "Phase Ib/II", on behalf of Amerimmune pursuant to an oral agreement, and that Amerimmune failed to pay Symbion for its services, and otherwise breached its obligations under the agreement.

The complaint asserted causes of action for breach of oral contract, account stated, work and labor done, fraud, and declaratory and injunctive relief. The relief sought included a declaration that Symbion is the owner of the intellectual property resulting from the services provided by Symbion.

A default was entered against Amerimmune, Inc. on December 18, 2003. A judgement was entered in favor of Symbion International on September 17, 2004 granting the declarative relief sought to Symbion International.

The intellectual property generated in the early phase FDA clinical trials is necessary to obtain approval for, and to conduct, further FDA clinical tests of Cytolin. Because a satisfactory result was obtained in this action, we anticipate negotiating an agreement with Symbion that will allow the use in subsequent phases of clinical test of Cytolin of the research data generated in the early phases.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes thereto appearing elsewhere in this report.

Certain statements contained herein that are not related to historical results, including, without limitation, statements regarding our business strategy and objectives, future financial position, expectations about pending litigation and estimated cost savings, are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act") and involve risks and uncertainties. Although we believe that the assumptions on which these forward-looking statements are based are reasonable, there can be no assurance that such assumptions will prove to be accurate and actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, regulatory policies, competition from other similar businesses, and market and general economic factors. All forward-looking statements contained in this prospectus are qualified in their entirety by this statement.

Overview
- --------

We incorporated as Rexray Corporation in Colorado in May 2002. We were originally a blank check company created to target companies for merger or acquisition. We issued to our founder, James B. Wiegand 800,000 shares of our common stock in exchange for services valued at $8,000, and thereafter $3,400 for administrative purposes through a private placement equity offering of 340,000 shares in 2002.

In October 2003, we entered into an acquisition agreement with CytoDyn of New Mexico, Inc., the purpose of which was to acquire the license to three patents and foreign counterpart patents. These patents cover the use of monoclonal antibodies to treat patients with Human Immunodeficiency Virus (HIV) by protecting crucial cells of the body's immune system that are otherwise killed by the disease, permitting the immune system to inhibit the disease and protect against the collateral illnesses that commonly accompany the disease.

We are a development stage company. We have not commenced any significant product commercialization and, until we do, we will not generate any significant product revenues. Most of our efforts and resources have been directed to research and development of Cytolin and related technologies. Since inception, we have incurred research and development expenses of $1.3 million. As a result of these research and development costs, we have, since inception, incurred operating losses generating an accumulated deficit of approximately $1.5 million as of May 31, 2004, our fiscal year end. Since October 2003, when we entered into the acquisition agreement with Rexray Corporation, our accumulated net losses have been approximately $362,000. We have had not research and development expenses during the last two fiscal years, as we seek to be able to conduct further trials. We expect to continue to incur operating losses and we expect the accumulated deficit to increase until we are able to market a product and have sales sufficient to support our operations.

The Acquisition Agreement with CytoDyn of New Mexico. Under the October 28, 2003 acquisition agreement with CytoDyn of New Mexico, we:

- Effected a one-for-two reverse split of our common stock,
- Issued to CytoDyn of New Mexico 5,362,640 post-split shares, and
- Amended our articles of incorporation to change our name to CytoDyn, Inc.
- Assumed $161,578 in liabilities related to assigned assets

As consideration for the issuance of our shares to it, CytoDyn of New Mexico:

- Assigned a Patent License Agreement dated July 1, 1994 between CytoDyn of New Mexico and Allen D. Allen, covering United States patent numbers 5424066, 5651970, and 6534057, and related foreign patents and patents pending, for a method of treating HIV disease with the use of monoclonal antibodies,
- Assigned its trademarks, CytoDyn and Cytolin, and related trademark symbol, and
- Paid $10,000 in cash.

We accounted for the acquisition as a recapitalization of CytoDyn of New Mexico, with Rexray Corporation as the legal surviving entity. For accounting purposes, the acquisition has been treated as a recapitalization of CytoDyn of New Mexico, with Rexray as the legal surviving entity. Since Rexray had minimal assets and no operations, the recapitalization has been accounted for as the sale of 890,000 shares of CytoDyn of New Mexico common stock for the net assets of Rexray. Therefore, the historical financial information prior to the date of the reverse business acquisition is the financial information of CytoDyn of New Mexico.

Summary of Critical Accounting Policies

- ----------

Going Concern
- ----------

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, we are currently in the development stage with losses for all periods presented. These factors, among others, raise substantial doubt about our ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should we be unable to continue as a going concern. Our continuation as a going concern is dependent upon our ability to obtain additional operating capital, complete development of its medical treatment, obtain FDA approval, outsource manufacturing of the treatment, and ultimately to attain profitability. We intend to seek additional funding through equity offerings to fund our business plan. There is no assurance that we will be successful.

Use of Estimates
- ----------

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

Cash and Cash Equivalents
- ----------

We consider all highly liquid debt instruments with original maturities of three months or less when acquired, to be cash equivalents. We had no cash equivalents at May 31, 2004.

Furniture, Equipment and Depreciation
- ----------

Furniture and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally 3 to 7 years. Maintenance and repairs are charged to expense as incurred and major improvements or betterments are capitalized. Gains or losses on sales or retirements are included in the statement of operations in the year of disposition.

Impairment of Long-Lived Assets
- ----------

We evaluate the carrying value of any long-lived assets under the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell.

Income Taxes
- ----------

We account for income taxes under the provisions of SFAS No. 109, Accounting for Income Taxes (SFAS 109). SFAS 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Earnings (Loss) per Common Share
- ----------

Basic earnings per share is computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares (the denominator) for the period. The computation of diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

At May 31, 2004, there was no variance between basic and diluted loss per share as there were no potentially dilutive common shares outstanding.

Plan of Operation
- ----------

During the next 12 months, our objectives are:

- to continue our clinical trials of Cytolin;
- to continue our efforts to protect our technology by obtaining

additional patents in The United Kingdom and the European Union;

- to develop an established market for our shares, and raise funds to support our research and development efforts, the clinical trials relating to Cytolin, and our general and administrative expenses; and
- to explore joint venture arrangements for other possible pharmaceutical products.

Continuing Clinical Trials. As we discuss in Item 1, Business, Phase I clinical trials were conducted by Symbion Research International under the sponsorship of Amerimmune, Inc. during 2002. We believe that the data from these trials support approval by the FDA of Phase II trials. We intend to negotiate with Symbion International for the right to use the Phase 1 data and to seek approval for the Phase II trials from the FDA. If the Phase II/III study is approved by the FDA, we expect it, together with the pre-Phase II/III efforts, to cost an estimated $2,050,000 to $3,350,000, plus estimated manufacturing and supply costs of $350,000 to $400,000. These trials can take anywhere from 29 to 42 months. Until we have met with the FDA, which we plan to do within the next six months, we cannot be certain what additional studies, assuming that Phase II/III study supports the efficacy and safety of Cytolin, will be required to receive marketing approval.

If we are unable to complete clinical trials on a timely basis, with favorable results, our costs will increase significantly and we may not have enough capital to support further research and development and continue in business. Also, if we incur significant delays in being able to market our product, even if we are ultimately able to do so, we will be delayed in earning revenues and probably will require additional financing to continue in business. Please see the section entitled "Risk Factors."

Patents
- -------

During fiscal year 2004, several European patents were granted with respect to our technology. The new patents are covered by our License Agreement with Allen D. Allen, our president. These patents are designated European Patent No. 94 912826.8, for the United Kingdom, Germany, France, Switzerland, Italy, the Netherlands, Portugal, Spain, and Sweden, and are the counterparts to our United States Patent No. 5424066. Patents are pending in those same countries which, if granted, will be the equivalent of our United States Patent No. 5651970. We estimate the costs associated with these pending patents to be approximately $65,000, including amounts we have already spent. We may file additional patents during the current fiscal year if our research and development efforts warrant them, but we do not have any such potential patents identified at this time.

Litigation
- ----------

For a thorough discussion of our pending litigation, please see the section entitled "Legal Proceedings."

Establishing a Market and Obtaining Funding
- ---

We will require funding during the 2005 fiscal year in order to continue our research and development efforts and to stay in business. The amount of that funding is directly related to the clinical trials we are able to conduct and the amounts we will need to continue operations.

In addition to operating funds, we will need from approximately $750,000 to $3,750,000 for research and development, including clinical trials, and manufacturing and supply costs, depending upon whether we are approved by the FDA to conduct a Phase II/III pivotal study.

We do not have any of this funding arranged or secured, and we do not yet have plans for raising the funding we require. We anticipate that we will seek the funding through further equity offerings, either by private placement or by registered offering, or by possible joint venture arrangements with other parties. If we are unable to secure the necessary funding, we will not be able to conduct our research and development activities or to continue in business.

Exploring Joint Ventures
- ------------------------

While we continue to pursue FDA approval of our Cytolin product, we are also considering entering into joint ventures to develop other types of products. We have, for instance, entered into a nondisclosure agreement with another development stage biotech company to discuss the possibility of the joint development of drugs to treat neuropsychiatric diseases or disorders. These discussions are in the early stages and we do not know if we will enter into a joint venture or other arrangement with this company or if any products might ensue from our efforts.

We may also pursue joint ventures or other arrangements to obtain funding for our Cytolin-related endeavors, but we have not pursued this possibility and do not have any prospects at this time.

Other Matters
- -------------

We do not expect, in the next 12 months, to make any significant expenditures for equipment, nor do we expect to make any significant changes in the number of employees that we have.

During the fiscal year ended May 31, 2004, we expended $235,455 in professional fees, consisting of $45,000 in consulting fees paid to our former president and founder, $190,747 in legal fees and professional fees incurred in connection with our private placement of 1,800,000 common shares, our additional patent protection filings, and litigating our pending lawsuits, and $5,208 in accounting and auditing fees. For the year ended May 31, 2004, $61,285 in legal fees was owed to our director, Ronald Tropp. We expect to incur similar fees in the current fiscal year, based on our research and development efforts, our need for additional capital, and continuing litigation.

CONTROLS EVALUATION BY MANAGEMENT

As required by Rule 13a-15 under the Exchange Act, within the 90 days prior to the filing date of this report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures over financial reporting. This evaluation was carried out under the supervision and with the participation of our management, including our President, Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our President, Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

There have been no significant changes in our internal controls or in other factors, which could significantly affect internal controls subsequent to the date we carried out our evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

MANAGEMENT

The members of the Board of directors of CytoDyn serve until the next annual meeting of stockholders, or until their successors have been elected.

The officers serve at the pleasure of the Board of directors. Directors serve a term of one year, or until the following annual meeting of the shareholders, whichever period is longer.

The current executive officers, key employees and directors of CytoDyn are as follows:

Name	Age	Position
Allen D. Allen	68	Chief Executive Officer, Chairman, Board of Directors
Wellington A. Ewen	65	Chief Financial Officer
Corinne Allen (Daughter of Allen D. Allen)	37	Secretary/Treasurer, Vice President
Ronald J. Tropp, Esq.	60	Director
Daniel M. Strickland, MD	59	Director
Peggy J. Pence, PhD.	54	Director

Allen D. Allen. Mr. Allen is the Chief Executive Officer and Chairman of the Board of Directors, since October 2003. Prior to that, he was the Chairman of the Board of Directors and Chief Executive Officer of CytoDyn of New Mexico, Inc., since its inception in 1994. Mr. Allen began his career as a theoretical physicist and used his knowledge of science to contribute to the field of neuroimmunology at its very inception during the Korean War. Over the past thirty years, he has published numerous papers in the peer review science and medical journals, and received a national award (the ARS Student Award) in

aeronautics from the American Rocket Society (now the Institute of Aeronautics and Astronautics) in 1953. He has also served as an investigator on clinical research sponsored by major pharmaceutical companies, such as Ortho Biotech (Johnson & Johnson, and Sanofi-Winthrop. Mr. Allen invented and patented the family of HIV/AIDS therapies licensed to CytoDyn. During our start-up phase of operations, he also serves as President and Chief Executive Officer. He is a member of the American Physical Society and the American Federation of Scientists, a life member of the Institute of Electrical and Electronics Engineers, and a founding member of the Editorial Board of Physics Essays.

Wellington A. Ewen, CPA, MBA, Chief Financial Officer, received his BS and MBA from Cornell University. Over the past 10 years, Mr. Ewen has served and consulted as a financial and accounting officer for several development stage pharmaceutical companies including Entropin, Inc. where is served as CFO from April 1998 until 2000. Mr. Ewen was also the former CFO of Amerimmune, Inc, from 1999 until his resignation in 2000. He has also served as a manager at PriceWaterHouseCoopers in Los Angeles, California. Mr. Ewen is currently licensed as a CPA in Oregon.

Corinne E. Allen. Ms. Allen, a graduate of California State University Northridge is the Secretary, Treasurer, Director , of the company since October, 2003 and Vice President of Business Development as of May 2004. Prior to that, she served as Secretary, Treasurer, of CytoDyn of New Mexico, Inc., since April, 1995 and as Director since July, 1994. Ms. Allen was recently employed as a senior manager at Deloitte & Touche from 1999 until 2003, and has 17 years experience in the accounting industry. Ms. Allen received a B.S. in Business Administration with a specialty in Accounting Theory and Practice from California State University Northridge in 1992. She has been a certified public accountant since January 1997. Ms. Allen is the daughter of Allen D. Allen.

Ronald J. Tropp, Esq. Mr. Tropp is an attorney admitted to practice in New York and California. He is a graduate of Swarthmore College and the University of Wisconsin at Madison Law School. He has been a Director of the company since October, 2003, and, prior to that time, served as Director for CytoDyn of New Mexico, Inc. He is an attorney, admitted to practice in New York and California. He has practiced entertainment and transactional law for over 25 years and has been representing CytoDyn of New Mexico, Inc. since the Fall of 1999. Previously, he served as corporate counsel and director for Pacific Coast Medical Enterprises, which owned five acute care hospitals in Southern California

Daniel M. Strickland, MD. Dr. Strickland has been a Director of the company since October, 2003, and, prior to that time, served as a Director of CytoDyn of New Mexico, Inc. Dr. Strickland served as a nuclear engineer for the U.S. Air Force before he became a physician. He received his BS degree in physics from the University of Georgia, his MS in Nuclear Engineering from the Air Force Institute of Technology, and his MD from the Medical College of Georgia. From 1986 through 1989, Dr. Strickland served as Clinical Associate Professor at the University of Texas Health Science Center in San Antonio, Texas. He also served as Flight Surgeon at the School of Aerospace Medicine at Brooks Air Force Base, Texas in 1977. Dr. Strickland is board certified by the National Board of Medical Examiners. He received training designations from the American College of Surgeons, and the American Heart Association for Advanced Trauma Life Support and Advanced Cardiac Life Support. In 1988 and 1989 he served on the Membership Committee of the Alamo Chapter of Sigma Xi, the Scientific Research Society. Dr. Strickland also belongs to Sigma Delta Chi, the Society of Professional Journalists. He holds U.S. patent No. 3,909,624 for a Split-Ring Marx Generator Grading.

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Peggy C. Pence, PhD. Dr. Pence, a graduate of Louisiana Tech and Indiana University, has been a Director of the company since October, 2003. Dr. Pence has 30 years of experience in the research and development of traditional pharmaceutical and biotechnology-derived potential drugs and medical devices, and served 13 years of this time in the employ of Eli Lilly and Company. Dr. Pence has served in management positions at emerging biotechnology companies, including Serono Laboratories, Triton Biosciences (acquired by Berlex Laboratories, Inc.), and Amgen. In 1992 Dr. Pence founded Symbion Research International, the CRO (Contract Research Organization) that conducted the successful phase Ia/b study of Cytolin.

Due to health reasons, Brian McMahon, our former Executive Vice President was removed by the board of directorsby unanimous written consent in May 2004. He may remain a consultant of the company.

EXECUTIVE COMPENSATION

The following table sets forth for the period ended May 29, 2004 compensation paid or agreed to be paid by CytoDyn to its Chairman of the Board, and Chief Executive Officer and our Secretary/Chief Financial Officer.

SUMMARY COMPENSATION TABLE

	Annual Compensation			Long-term Compensation			
Name and Principal Position	Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Securities Underlying Options/SAR's	LTIP Payouts	All other compensation
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Allen D. Allen (2004) Chief Executive Officer and Chairman	$98,000	0	0	0	0	0	
Corinne Allen (2004) Secretary/Treasurer Vice President (Daughter of Allen D. Allen)	$50,000	0	0	0	0	0	
Wellington A Ewen (2004) Chief Financial Officer					150,000		

</TABLE>

STOCK PLANS

We have a stock option plan for our Chief Financial Officer, Wellington Ewen, on an earned basis. His options will vest over three years. He will earn 50,000 shares with an exercise price of .$50 per share after the first year of service, 50,000 shares with an exercise price of $1.00 after the second year of service and 50,000 shares with an exercise price of $1.50 after the third year of service. This plan was approved by the Board of Directors. We do not have any other stock option or stock compensation plans in force at this time. We do anticipate adopting an additional stock option incentive plan in the near future in order to attract and retain key people as our directors, employees or consultants.

Our common stock had no traded market value on the date of grant of stock options to Wellington Ewen. The market value of the stock was determined to be $.30 per share base on contemporaneous sales of common stock to unrelated third party investors. The weighted average exercise price and weighted average fair value of these options as of May 31, 2004 were $1.00 and $.-0-, respectively. 50,000 options vest on May 10, 2005, an additional 50,000 options vest on May 1, 2006, and the final 50,000 options vest on May 1, 2007.

Pro forma information regarding net income and earnings per share is required by SFAS 123 as if we had accounted for its granted stock options under the fair value method of that Statement. The fair value for the options granted during the fiscal year ended May 31, 2004 was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate.....	3.00%
Dividend yield.....	0.00%
Volatility factor.....	0.00%
Weighted average expected life.....	3 years

The Black-Scholes options valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because our stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of our stock options. Although the above options were determined to have $-0- fair value, we have presented the pro forma net loss and pro forma basic and diluted loss per common share using the assumptions noted above.

	For the Years Ended May 31,	
	2004	2003
Net loss, as reported	$ (362,060)	$ (30,229)
Pro forma net loss	$ (362,060)	$ (30,229)
Basic and diluted net loss per common share, as reported	$ (0.06)	$ (0.01)
Pro forma basic and diluted net loss per common share	$ (0.06)	$ (0.01)

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The following schedule summarizes the changes in our outstanding stock options:

	Options Outstanding and Exercisable		Weighted Average Exercise Price Per Share
	Number of Shares	Exercise Price Per Share	
<S>	<C>	<C>	<C>
Balance at May 31, 2002.....	-	$0.00	$ -
Options granted.....	-	$0.00	$ -
Options exercised.....	-	$0.00	$ -
Options expired.....	-	$0.00	$ -
Balance at May 31, 2003.....	-	$0.00	$ -
Options granted.....	150,000	$0.50 to $1.50	$ 1.00
Options exercised.....	-	$0.00	$ -
Options expired.....	-	$0.00	$ -
Balance at May 31, 2004.....	150,000	$0.50.to $1.50	$ 1.00

</TABLE>

PRINCIPAL SHAREHOLDERS

The following table sets forth information as of the date of this Prospectus and as adjusted to reflect the sale of 250,000 shares offered hereby, based upon information obtained from the persons named below, relating to the beneficial ownership of shares of Common Stock by each person known to CytoDyn to own five percent or more of the outstanding Common Stock, each director of CytoDyn and all officers and directors of CytoDyn as a group.

Name and Address of Beneficial Owner -	Shares Beneficially Owned	Percent Before Offering	Percent After Offering
Allen D. Allen 4236 Longridge Ave. #302 Studio City, CA 91604	2,118,515	26.2%	25.4%
Corinne Allen 200 W. Devargas Street Suite 1 Santa Fe, NM 87501	1,736,335	21.5%	20.8%
Daniel M. Strickland, MD. P.O. Box 10 Lansing, NC 28643	8,476	.001%	.001%
Peggy C. Pence, PhD. 29219 Canwood Street, Suite 100 Agoura Hills, CA 91301	0	0%	0%
Ronald J. Tropp 20222 Oxnard St. Woodland Hills, CA 91367	0	0%	0%
James B. Wiegand 16200 WCR 18E Loveland, CO 80531	400,000	5%	4.7%
All officers and directors as a group	3,863,326	47.8%	46%

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** A person is deemed to be the beneficial owner of securities that can be acquired by such person within 60 days from the date of this Prospectus upon the exercise of options or warrants. Each beneficial owner's percentage ownership is determined by assuming that options that are held by such person (but not those held by any other person) and that are exercisable within 60 days from the date of this Prospectus have been exercised. Except as otherwise indicated, CytoDyn believes that each of the persons named has sole voting and investment power with respect to the shares shown as beneficially owned.

CERTAIN TRANSACTIONS

Related Party Transactions, Actual or Proposed, In Last 2 Years. We propose to be, or during the last two years were, party to certain transactions involving amounts in excess of $60,000, in which our directors, executive officers, others hold more than 5% of any class of our securities, or their immediate family members, had or will have a material interest. The interested parties and transactions are described below.

Common Stock, Options and Compensation. For a discussion of transactions within the past two years having aggregate values in excess of

$60,000 and involving compensation paid or securities issued to our directors or executive officers, please see the discussions entitled "Executive Compensation" in Part III, Item 10 and "Security Ownership of Certain Beneficial Owners and Management And Related Stockholder Matters" in Part III, Item 11.

Agreement to Issue Warrants to J.P. Turner & Company, LLC. J.P. Turner & Company, LLC, is a beneficial owner of 5.02% of our common stock, by virtue of a common stock warrants which it is entitled to receive pursuant to a "Financial Representative Agreement" dated November 25, 2003. Pursuant to the terms of that agreement:

- J.P. Turner acted as our agent in connection with a private offering of our securities;
- We paid the sum of $54,000 to J.P. Turner;
- We are to issue to J.P. Turner warrants for the purchase of 426,000 shares of our common stock, at an exercise price of $0.30 per share;
- When issued, the warrants will:
  - Vest immediately in favor of J.P. Turner;
  - Be exercisable immediately and thereafter for 5 years;
  - Contain customary anti-dilution provisions for stock dividends, splits, mergers and sales of substantially all assets; and
  - Contain a "cashless exercise" provision;
- We have granted J.P. Turner "piggyback" registration rights, at our expense, with respect to the shares underlying the warrants;
- We are to indemnify J.P. Turner and others against certain losses arising in connection with our material misrepresentations or omissions, the performance by J.P. Turner of the agreement, or breach of representations or warranties by an investor; and
- The term of the agreement is 12 months, subject to termination upon 45 days written notice.

Agreement with Symbion Research International, Inc. Our director, Peggy C. Pence, PhD., is the President and Chief Executive Officer of Symbion Research International, Inc. On October 1, 2003, we entered into a "Master Agreement for Professional Services" with Symbion. The agreement describes general terms and conditions intended to apply to services which Symbion may provide for us, most likely in connection with the conduct of future FDA clinical trials of Cytolin. That agreement requires an advance payment of $25,000 to Symbion, of which $5,000 is to serve as a retainer and the remaining $20,000 is to be applied against billing for services that may be rendered. We have made the advance payment. We also have had discussions with Symbion regarding the possible conduct of Phase II and III trials, and these discussions have resulted in Symbion providing us with a cost estimate:

- based on the assumption that the FDA will approve the currently designed Phase II/III pivotal study;
- that services related to the end of Phase I and the Pre-Phase II meeting will cost between $50,000 and $100,000;
- that services related to the Phase II/Phase III pivotal study will cost between $1,250,000 and $1,750,000; and
- that the cost to the Investigators will be between $750,000 and $1,500,000, plus the costs of materials, investigational product manufacturing or supplies.

Acquisition of the Assets of CytoDyn of New Mexico. Allen D. Allen, our president, chief executive officer and the chairman of the board of directors, Corinne E. Allen, our vice president of business development, secretary, treasurer and director, Ronald J. Tropp and Daniel M. Strickland, M.D., our directors, and Brian J. McMahon, our former executive vice president, formerly also served as executive officers or directors of CytoDyn of New Mexico, Inc. In October 2003, we acquired the assets of CytoDyn of New Mexico, Inc. and changed our name to CytoDyn, Inc. Please see "The Acquisition Agreement with CytoDyn of New Mexico" under "Description of Business" at Part I, Item 1. In connection with that transaction:

- we issued to CytoDyn of New Mexico 5,362,640 post reverse- split shares of our common stock;
- Allen D. Allen, who is our president, chief executive officer and the chairman of our board of directors, ultimately received 2,118,515 shares of our post reverse-split common stock 1 and indirectly benefited from our assumption of debts in the amount of $71,694 owed to him and Corinne E. Allen by CytoDyn of New Mexico;
- Corinne E. Allen, who is our vice president of business development, secretary and treasurer, ultimately received 1,736,335 shares of our post reverse-split common stock 1 and indirectly benefited from our assumption of debts in the amount of $71,694 owed to her and Allen D. Allen by CytoDyn of New Mexico;
- Daniel M. Strickland, MD, who is a member of our board of directors, ultimately received 8,476 shares of our post reverse-split common stock 1; and
- James B. Wiegand, who until this transaction had been our president, retained 400,000 shares of our post reverse-split common stock.

Services Provided by Ronald J. Tropp. Our director, Ronald J. Tropp, Esq., has provided legal services to us, and to CytoDyn of New Mexico, for a number of years. Currently, we owe him the sum of $61,285 for these services. No arrangements have been made for the payment of this obligation. We anticipate that Mr. Tropp will provide additional legal services to us in the future.

Indemnification, Legal Costs and Fees Incurred by Directors and Officers. Allen D. Allen, our president, chief executive officer and the chairman of the board of directors, Corinne E. Allen, our vice president of business development, secretary, treasurer and director, Ronald J. Tropp and Daniel M. Strickland, M.D., our directors, and Brian J. McMahon, our former executive vice president, are named as Cross-Defendants in a Cross-Complaint filed in the California Superior Court in and for Los Angeles County in an action originally captioned CytoDyn of New Mexico, Inc. et al., v. Amerimmune Pharmaceuticals, Inc. et al., Case number BC 290154. The Cross-Complaint is based upon alleged acts and omissions of these individuals occurring before we entered into the Acquisition Agreement with CytoDyn of New Mexico. In a separate proceeding, in Ventura County, California, captioned CytoDyn, Inc., et al. v. Amerimmune, Inc. et al., Case number SC039250, Allen D. Allen is our co-plaintiff. Please see the discussion entitled "Legal Proceedings" in Part I, Item 3. Our Articles of Incorporation and by-laws provide that we will indemnify directors, officers, and enumerated others against certain liabilities and expenses arising because of the indemnitee's corporate status or relationship. We have not determined whether we have an obligation to indemnify Messrs. Allen, McMahon, Tropp and Strickland and Ms. Allen with respect to any liability that may arise under the Cross-Complaint. We have, however, assumed responsibility for the payment of the legal fees and costs of counsel who jointly represent us and any of Messrs. Allen, McMahon, Tropp and Strickland and Ms. Allen in the Los Angeles County proceeding. Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons, we have 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.

Note Given and Debt Owed to Allen D. Allen. In January 2004 we issued to Allen D. Allen, our president, chief executive officer and the chairman of our board of directors, a non interest bearing promissory note, payable on demand, in the original principal amount of $22,788. The note reflects advances made to us by Mr. Allen during the years ending on May 31, 2003 and May 31, 2004. In addition, we owe the sum of $10,000 to Mr. Allen, who advanced that amount to CytoDyn of New Mexico for further payment to Rexray Corporation in connection with the acquisition of the assets of CytoDyn of New Mexico. The sum owed does not bear interest and is payable on demand.

Notes Given to Corinne Allen. In January 2004, we issued to Corinne E. Allen, our vice president of business development, secretary, treasurer and director, two non interest bearing promissory notes, each payable on demand, in the original principal amounts of $50,000 and $38,906. The notes reflected advances made to us by Ms. Allen during the years ending on May 31, 2003 and May 31, 2004. The $50,000 note was paid in full in February, 2004. The $38,906 note remains outstanding and does not bear interest.

Transactions With Promoters. James B. Wiegand was the promoter of Rexray Corporation and served as its president from the time of incorporation until its acquisition of the assets of CytoDyn of New Mexico. Rexray was incorporated on May 2, 2002, under the laws of Colorado as a "blank check" company. 800,000 shares of its common stock were issued to Mr. Wiegand in exchange for organizational services provided and valued by him at $8,000. By virtue of a one-for-two reverse stock split effected in October, 2003, Mr. Wiegand's common stock ownership was reduced to 400,000 shares. We were party to the following additional direct or indirect transactions with Mr. Wiegand:

- Compensation for Services. In October 2003, we paid $15,000 and gave a promissory note in the original principal amount of $30,000 to Mr. Wiegand. Interest accrued on the unpaid principal amount of the note at the rate of 5% per annum. The note was paid in full in February 2004. The cash payment and note were given in consideration of services provided to us by Mr. Wiegand, principally in connection with the acquisition of the assets of CytoDyn of New Mexico. Mr. Wiegand determined the value of his services.

- Rent of Office Space. From May 2, 2002 through September 30, 2002, we rented office space located in Mr. Wiegand's home from Amery Coast Corporation at the rate of $100.00 per month. The rental rate was based, according to him, upon then current comparable rents. Amery Coast Corporation was controlled by Mr.Wiegand.

- Contributions of Office Space. From October 1, 2002 through May 31, 2003, Amery Coast Corporation contributed office space to us. The rental value of the office space was deemed to be $100 per month, based on the previous rental rate determined by Mr. Wiegand.

- Contributions of Time, Fee and Cash. Mr. Wiegand contributed services during the year ended May 31, 2003, which he valued at $2,970. In addition, during the year ended May 31, 2003, he paid, on our behalf, $1,645 for professional services rendered to us, and during the 6 month period ending November 30, 2003, he contributed $2,500 to us. The contribution of services and the payments were treated as contributions to capital.

DESCRIPTION OF COMMON STOCK

CytoDyn is authorized to issue 25,000,000 shares of Common Stock, no par value, and 5,000,000 shares of preferred stock at no par value. As of the date of this

Prospectus, there are 8,069,307 shares of common stock outstanding which are held by approximately 133 holders of record.

The holders of Common Stock are entitled to one vote for each share held of record on all matters to be voted on by shareholders. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares voting for the election of directors can elect all of the directors. The holders of Common Stock are entitled to receive dividends when, as and if declared by the Board of Directors in its discretion, out of funds legally available therefore. In the event of liquidation, dissolution or winding up of CytoDyn, the holders of Common Stock are entitled to share ratably in the assets of CytoDyn, if any, legally available for distribution to them after payment of debts and liabilities of CytoDyn and after provision has been made for each class of stock, if any, having liquidation preference over the Common Stock. Holders of shares of Common Stock have no conversion, preemptive or other subscription rights, and there are no redemption or sinking fund provisions applicable to the Common Stock.

TRANSFER AGENT AND REGISTRAR

Standard Registrar and Transfer of 673 Bluebird Lane NE, Albuquerque, New Mexico 87122, acts as our transfer agent.

REPORTS TO SHAREHOLDERS

CytoDyn is a reporting company, pursuant to Section 12(g) of the Exchange Act, and is required to comply with periodic reporting, proxy solicitation and certain other requirements of the Exchange Act.

SHARES ELIGIBLE FOR FUTURE SALE

Upon the consummation of this offering, CytoDyn will have 8,069,307 shares of common stock outstanding of which 885,000 are being registered for resale pursuant to the registration statement of which this prospectus is a part. The 885,000 shares and 426,00 shares being registered for resale hereunder will be freely tradable without restriction or further registration under the Securities Act to the extent that a market develops for our securities. Of the 8,069,307 shares of common stock outstanding as of the date of this Prospectus , 8,069,307 are deemed to be "restricted securities," as that term is defined under Rule 144 promulgated under the Securities Act, in that such shares were acquired by the shareholders of CytoDyn in transactions not involving a public offering, and, as such, may only be sold pursuant to a registration statement under the Securities Act, in compliance with the exemption provisions of Rule 144, or pursuant to another exemption under the Securities Act. Of such 8,069,307 restricted shares of Common Stock no shares are immediately eligible for sale, without registration, under Rule 144.

In general, under Rule 144 as currently in effect, any person or persons whose shares are aggregated who has beneficially owned restricted shares for at least two years is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of 1% of the then outstanding shares of the issuer's common stock or the average weekly trading volume during the four calendar weeks preceding such sale, provided that certain public information about the issuer as required by Rule 144 is then available and the seller complies with certain other requirements. Affiliates will be subject to the provisions of Rule 144, except that the holding period requirement does not apply to sales by affiliates of shares which are not restricted securities. A person who is not an affiliate, has not been an affiliate within three months prior to sale, and has beneficially owned the restricted shares for at least three years is entitled to sell such shares under Rule 144 without regard to any of the limitations described above.

Prior to this offering, there has been no market for the common stock and no prediction can be made as to the effect, if any, that market sales of common stock or the availability of such shares for sale will have on the market price prevailing from time to time. Nevertheless, the possibility that substantial amounts of common stock may be sold in the public market may adversely affect prevailing market prices for the Common Stock and could impair our ability to raise capital through the sale of its equity securities.

PLAN OF DISTRIBUTION

The 250,000 Shares shall be offered on a self underwritten basis in states in the States of California, New Mexico and Colorado. The offering is self underwritten by CytoDyn, and will be offered by officers and directors Corinne Allen and Allen D. Allen, directly to investors. , Corinne Allen and Allen Allen will offer the Shares by prospectus, to friends, former business associates and contacts, and by direct mail to investors who have indicated an interest in us. The offering is a self underwritten offering, which means that it does not involve the participation of an underwriter or broker. The officers and directors will not receive any fees or remuneration, other then their general salary as stated in the employment agreements, for the offering of these shares

and none of them are an "associated person" of a broker or a dealer. These officers and directors have relied on the exemptions in Rule 3a4-1 to determine that they are not considered brokers.

The offering of the Shares shall terminate 12 months after the date of this prospectus, when all shares have been sold, or upon the order of the board of directors.

We reserve the right to reject any subscription in whole or in part, or to allot to any prospective investor less than the number of Shares subscribed for by such investor.

As used in this prospectus, selling security holder includes any donee pledges, transferees, or other successors in interest who will hold the selling security holders' shares after the date of this prospectus. We are paying the costs, expenses and fees of registering the common stock, but the selling security holders will pay any underwriting or borkerage commissions and similar selling expenses relating to the sale of the shares of common stock.

The selling security holders may sell, from time to time, any or all of their shares of our common stock on any stock exchange, market, or trading facility on which our shares are then traded or in private transactions, at a price of $.75 per share until our shares are quoted on the OTC Bulletin Board and thereafter at prevailing market prices or privately negotiated prices. When we are notified, if ever, we will promptly send a letter to all selling security holders advising them of this fact.

The selling security holders may sell some or all of their common stock through:

- ordinary brokers' transactions which may include long or short sales - transactions involving cross or block trades or otherwise;
- purchases by brokers, dealers or underwriters as principal and resale by those purchasers for their own accounts under this prospectus
- market makers or into an existing market for our common stock;
- other ways not involving market makers or established trading markets, including direct sales to purchasers or sales effected through agents;
- transactions in options, swaps or other derivatives; or
- any combination of the selling options described in this prospectus, or by any other legally available means.

The selling security holders may enter into hedging transactions with broker-dealers who may engage in short sales of our common stock in the course of hedging the positions they assume. The selling security holders also may enter into option or other transactions with broker-dealers that require the delivery by those broker-dealers of the common stock. Thereafter the shares may be resold under this prospectus.

The selling security holders and any broker-dealers involved in the sale or resale of our common stock may qualify as "underwriters" within the meaning of Section 2(a) (11) of the Securities Act of 1933. In addition, the broker-dealers' commissions discounts or concessions may qualify as underwriters' compensation under the Securities Act. If any selling security holders or any broker-dealer qualifies as an "underwriter," they will be subject to the prospectus delivery requirements of Section 153 of the Securities Act, which may include delivery through the facilities of the NASD.

In the event any selling security holder sells any of his common stock to a broker, dealer or underwriter as principal, such shares may be resold by the broker, dealer or underwriter only under an amended prospectus that discloses the selling securities holder's arrangements with the broker/dealer/underwriter participating in the offering and identifies the participating broker/dealer/underwriter. Any participating brokers/dealers will be considered as an "underwriter" and will be identified in the amended prospectus as such.

In conjunction with the sales to or through brokers dealers or agents, the selling security holders may agree to indemnify them, against liabilities arising under the Securities Act. We know of no existing arrangements between the selling security holders, any other shareholder, broker, dealer underwriter or agent relating to the sale or distribution of our common stock.

In addition to selling their shares of common stock under this prospectus, the selling security holders may:

- transfer their common stock in other ways not involving market makers or established trading markets, including by gift, distribution, or other transfer; or
- sell their common stock under Rule 144 of the Securities Act, if the transaction meets the requirements of Rule 144.

We will amend or supplement this prospectus as required by the Securities Act.

SELLING STOCKHOLDERS

The following table shows for each selling security holder:

- the number of shares of common stock beneficially owned by him or her as of May 31, 2004,
- the number of shares of common stock covered by this prospectus and

- the number of shares of common stock to be retained after this offering, if any, assuming the selling security holder sells the maximum, number of shares (and percentage of outstanding shares of common stock owned after this offering, if more than 1%)

The selling security holders are not required, and may choose not, to sell any of their shares of common stock. Other than as set forth in the footnotes to the table below, none of the selling security holders have or during the past three years has had any position, office or other material relationship with us or any of our predecessors or affiliates.

<TABLE>
<CAPTION>

Name	Shares of Common Stock Beneficially Owned Before Offering	Shares Issuable Upon Exercise of Warrants	Shares of Common Stock to Be Sold in Offering	Shares Owned After the Offering
<S>	<C>	<C>	<C>	<C>
JP Turner & Company LLC		426,000	426,000	0
James B. Wiegand (1)	400,000		400,000	0
Daniel Hannaway	5,000		5,000	0
Chris Crouch	5,000		5,000	0
Jared St.Aubyn	5,000		5,000	0
Zachary St.Aubyn	5,000		5,000	0
Lauren Prothe	5,000		5,000	0
Ashley Prothe	5,000		5,000	0
Lea Prothe	5,000		5,000	0
Todd Vacha	5,000		5,000	0
Craig Olsen	5,000		5,000	0
CK Enterprises (2)	5,000		5,000	0
Rudy Martinez	5,000		5,000	0
Kirk Wilford	5,000		5,000	0
Craig Kimball	5,000		5,000	0
Charles Cruz	5,000		5,000	0
Westco Mortgage LLC (3)	5,000		5,000	0
Stan Norfleet	5,000		5,000	0
Dustin Sandoval	5,000		5,000	0
Michael Nestor	5,000		5,000	0
James McCarron	5,000		5,000	0
Jane McCarron	5,000		5,000	0
F. Michael Johnston	5,000		5,000	0
F. Michael Johnston Co (4)	5,000		5,000	0
Dylan T. Webber	5,000		5,000	0
Mark Webber	5,000		5,000	0
Craig Olson	5,000		5,000	0
Joe Gomez	5,000		5,000	0
Chad Cordova	5,000		5,000	0
Beau Brooks	5,000		5,000	0
Susie Sandoval	5,000		5,000	0
Greg Gould	5,000		5,000	0
Rose Thomas	5,000		5,000	0
William Gofigan	5,000		5,000	0
Delos Elmer	5,000		5,000	0
Brian Gould	5,000		5,000	0
Don Lawson	5,000		5,000	0
Sonja Gouak	10,000		10,000	0
Mike Underwood	100,000		100,000	0
Dick Monfort	100,000		100,000	0
Barry A. Bates	100,000		100,000	0
Total	885,000	426,000	1,311,000	0

</TABLE>

(1) James B. Wiegand is our former President, CEO and Director. Currently Mr. Wiegand's beneficial ownership interest is 5% of our outstanding shares.
(2) The principal of CK Enterprises is, Craig Kimball, President
(3) The principal of Westco Mortgage LLC is Charles Cruz, President
(4) The principal of F. Michael Johnston Co is F. Michael Johnston, President

LEGAL MATTERS

The legality of the Common Stock offered hereby will be passed upon for CytoDyn by Ronald J. Tropp, Esq., of Woodland Hills, CA. EXPERTS The financial statements of CytoDyn inception on May 2, 2002 up to and including May 31, 2004, appearing in this Prospectus and Registration Statement have been audited by Cordovano and Honeck, P.C., independent auditors, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

CytoDyn has filed with the Commission a Registration Statement under the Securities Act with respect to the Common Stock offered by this Prospectus. This

Prospectus, filed as a part of such Registration Statement, does not contain all of the information set forth in, or annexed as exhibits to, the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information with respect to CytoDyn and this offering, reference is made to the Registration Statement, including the exhibits filed therewith, which may be inspected without charge at the Commission's principal office at Judiciary Plaza, 450 Fifth Street, N.W., Washington D.C. 20549, at the Chicago Regional Office, 500 West Madison Street, Chicago, Illinois 60601-2511, and at the New York Regional Office, 7 World Trade Center, New York, New York 10048. Copies of the Registration Statement may be obtained from the Commission's Public Reference Section upon payment of prescribed fees. Electronic registration statements made through the Electronic Data Gathering, Analysis, and Retrieval system are publicly available through the Commission's Web site at http://www.sec.gov.

CYTODYN, INC.
(A Development Stage Company)
Index to Financial Statments

Report of Independent Auditors

To the Board of Directors and Shareholders
CytoDyn, Inc.:

We have audited the accompanying balance sheet of CytoDyn, Inc. (a development stage company) as of May 31, 2004, and the related statements of operations, changes in shareholders' deficit, and cash flows for the years ended May 31, 2004 and 2003, and the period from October 28, 2003 through May 31, 2004 (development stage). 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 audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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. 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 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 CytoDyn, Inc. as of May 31, 2004, and the results of its operations and its cash flows for the years ended May 31, 2004 and 2003, and the period from October 28, 2003 through May 31, 2004 (development stage) in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered significant operating losses since inception, which raises a substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Cordovano and Honeck, P.C.

Denver, Colorado
August 20, 2004

CYTODYN, INC.
(A Development Stage Company)
Balance Sheet

May 31, 2004

Assets

Current Assets:	
Cash	$ 186,964
Prepaid expenses	16,302
Total current assets	203,266
Furniture and equipment, less accumulated depreciation of $204	3,131
Deposit	495
	$ 206,892

Liabilities and Shareholders' Deficit

Liabilities:	
Accounts payable	$ 118,686
Accrued liabilities	16,632
Indebtedness to related parties (Note 2)	71,694
Total liabilities	207,012
Commitments and contingencies (Note 6)	--
Shareholders' deficit (Note 4):	
Preferred stock, no par value; 5,000,000 shares authorized, -0- shares issued and outstanding	--
Common stock, no par value; 25,000,000 shares authorized, 8,069,307 shares issued and outstanding	1,916,334
Additional paid-in capital	23,502
Accumulated deficit	(1,601,912)
Deficit accumulated during development stage	(338,044)
Total shareholders' deficit	(120)
	$ 206,892

See accompanying notes to financial statements

<TABLE>
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CYTODYN, INC.
(A Development Stage Company)
Statement of Operations

	For the Year Ended May 31,		October 28, 2003 Through May 31,
	2004	2003	2004
<S>	<C>	<C>	<C>
Operating expenses:			
General and administrative (Note 8)	$ 357,246	$ 30,229	$ 337,730
Depreciation	204	--	204
Total operating expenses	357,450	30,229	337,934
Operating loss	(357,450)	(30,229)	(337,934)
Interest income	343	--	343
Interest expense	(453)	--	(453)
Loss before income taxes	(357,560)	(30,229)	(338,044)
Income tax provision (Note 5)	--	--	--
Net loss	$ (357,560)	$ (30,229)	$ (338,044)
Basic and diluted loss per share	$ (0.05)	$ (0.01)	

Basic and diluted weighted average

common shares outstanding	6,557,362	5,362,640

</TABLE>

See accompanying notes to financial statements

<TABLE>
<CAPTION>

CYTODYN, INC.
(A Development Stage Company)
Statement of Changes in Shareholders' Deficit

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated
	Shares	Amount	Shares	Amount	Capital	Deficit
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at June 1, 2002	--	$ --	5,362,640	$ 1,417,792	$ 9,002	$(1,552,167)
Capital contributions by president (Note 2) ..	--	--	--	--	14,500	--
Net loss, year ended May 31, 2003	--	--	--	--	--	(30,229)
Balance at May 31, 2003	--	--	5,362,640	1,417,792	23,502	(1,582,396)
October 2004, stock issued to acquire the net assets of Rexray Corporation (Note 1)	--	--	890,000	7,542	--	--
Balance at October 28, 2003, following reverse business combination	--	--	6,252,640	1,425,334	23,502	(1,582,396)
February through April 2004, sale of common stock less offering costs of $54,000 ($.30/share) (Note 4)	--	--	1,800,000	486,000	--	--
February 2004, shares issued to former officer as payment for working capital advance ($.30/share) (Note 2)	--	--	16,667	5,000	--	--
Net loss, year ended May 31, 2004	--	--	--	--	--	(19,516)
Balance at May 31, 2004	--	$ --	8,069,307	$ 1,916,334	$ 23,502	$(1,601,912)

	Deficit Accumulated During Development Stage	Total
	<C>	<C>
Balance at June 1, 2002	--	$ (125,373)
Capital contributions by president (Note 2) ..	--	14,500
Net loss, year ended May 31, 2003	--	(30,229)
Balance at May 31, 2003	--	(141,102)
October 2004, stock issued to acquire the net assets of Rexray Corporation (Note 1)	--	7,542
Balance at October 28, 2003, following reverse business combination	--	(133,560)
February through April 2004, sale of common stock less offering costs of $54,000 ($.30/share) (Note 4)	--	486,000
February 2004, shares issued to former officer as payment for working capital advance ($.30/share) (Note 2)	--	5,000
Net loss, year ended May 31, 2004	(338,044)	(357,560)
Balance at May 31, 2004	(338,044)	$ (120)

</TABLE>

See accompanying notes to financial statements

<TABLE>
<CAPTION>

CYTODYN, INC.
(A Development Stage Company)
Statement of Cash Flows

	For the Year Ended May 31,		October 28, 2003 Through May 31,
	2004	2003	2004
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net loss	$ (357,560)	$ (30,229)	$ (338,044)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	204	--	204
Changes in current assets and liabilities:			
Increase in prepaid expenses	(16,302)	--	(16,302)
Increase in deposits	(495)	--	(495)
Increase in accounts payable and accrued liabilities	14,020	--	(2,258)
Net cash used in operating activities	(360,133)	(30,229)	(356,895)
Cash flows from investing activities:			
Equipment purchases	(3,335)	--	(3,335)
Net cash used in investing activities	(3,335)	--	(3,335)
Cash flows from financing activities:			
Capital contributions by president (Note 2)	--	14,500	--
Proceeds from notes payable issued to related parties (Note 2)	111,194	10,500	111,194
Repayment of notes payable to related parties (Note 2)	(50,000)	--	(50,000)
Proceeds from the sale of common stock (Note 4)	540,000	--	540,000
Payment of offering costs (Note 4)	(54,000)	--	(54,000)
Net cash provided by financing activities	547,194	25,000	547,194
Net change in cash	183,726	(5,229)	186,964
Cash, beginning of period	3,238	8,467	--
Cash, end of period	$ 186,964	$ 3,238	$ 186,964
Supplemental disclosure of cash flow information:			
Income taxes	$ --	$ --	$ --
Interest	$ 453	$ --	$ 453
Non-cash investing and financing transactions:			
Net assets acquired in exchange for common stock in CytoDyn/Rexray business combination (Note 1)	$ 7,542	$ --	$ 7,542
Common stock issued to former officer to repay working capital advance (Note 2)	$ 5,000	$ --	$ 5,000

</TABLE>

See accompanying notes to financial statements

CytoDyn, Inc
Notes to Financial Statements

(1) Summary of Significant Accounting Policies

Organization and Basis of Presentation

CytoDyn, Inc. (the "Company") was incorporated under the laws of Colorado on May 2, 2002 under the name Rexray Corporation ("Rexray"). The Company entered the development stage effective October 28, 2003 and follows Statements of Financial Accounting Standards ("SFAS") No. 7 "Accounting and Reporting by Development Stage Enterprises".

The Company plans to develop therapeutic agents for use against the disease associated with Human Immunodeficiency Virus ("HIV"). The Company intends to develop and obtain FDA approval for the use of monoclonal antibodies to treat patients with HIV by protecting the cells of the body's immune system that are otherwise killed by the disease. The Company is continuing the research and development of a treatment for HIV, using technology licensed to it by the Company's president, and may either repeat Phase I trials, if necessary for non-clinical reasons, or with FDA approval, conduct a Phase II/III pivotal study. The Company has not derived any revenues from the licensed technology,

but the Company is planning to pursue further clinical trials.

On October 27, 2003, Rexray changed its name to CytoDyn, Inc.

Acquisition Agreement

On October 28, 2003, Rexray, the former Securities and Exchange Commission ("SEC") Registrant, entered into an Acquisition Agreement (the "Agreement") with CytoDyn of New Mexico, Inc. ("CytoDyn NM"), a New Mexico corporation. Under the terms of the Agreement, Rexray agreed to acquire some of the assets of CytoDyn NM in exchange for 5,362,640 shares of its common stock. Following the acquisition, the former shareholders of CytoDyn NM held approximately 85.8 percent of the Company's outstanding common stock, resulting in a change in control. However, for accounting purposes, the acquisition has been treated as a recapitalization of CytoDyn NM, with Rexray the legal surviving entity. Since Rexray had minimal assets and no operations, the recapitalization has been accounted for as the sale of 890,000 shares of CytoDyn NM common stock for the net assets of Rexray. Therefore, the historical financial information prior to the date of the reverse business acquisition is the financial information of CytoDyn NM.

Under the terms of the Agreement, CytoDyn NM:

- Assigned the patent license agreement between CytoDyn NM and Allen D. Allen covering United States patent numbers 5424066, 5651970, and 6534057, and related foreign patents and patents pending, for a method of treating HIV disease with the use of monoclonal antibodies;
- Assigned its trademarks, CytoDyn and Cytolin, and related trademark symbol; and
- Paid $10,000 in cash

In consideration for the above, the Registrant:

- Effected a one-for-two reverse split of its common stock;
- Issued 5,362,640 shares of its common stock to CytoDyn NM;
- Amended its Articles of Incorporation to change its name to CytoDyn, Inc.; and
- Accepted $161,578 in liabilities related to the assigned assets

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company is currently in the development stage with losses for all periods presented. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional operating capital, complete development of its medical treatment, obtain FDA approval, outsource manufacturing of the treatment, and ultimately to attain profitability. The Company intends to seek additional funding through equity offerings to fund its business plan. There is no assurance that the Company will be successful.

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less when acquired, to be cash equivalents. The Company had no cash equivalents at May 31, 2004.

Furniture, Equipment and Depreciation

Furniture and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally 3 to 7 years. Maintenance and repairs are charged to expense as incurred and major improvements or betterments are capitalized. Gains or losses on sales or retirements are included in the statement of operations in the year of disposition.

Impairment of Long-Lived Assets

The Company evaluates the carrying value of any long-lived assets under the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of

Long-Lived Assets". SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell.

Income Taxes
- ------------

The Company accounts for income taxes under the provisions of SFAS No. 109, Accounting for Income Taxes (SFAS 109). SFAS 109 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Earnings (Loss) per Common Share
- --------------------------------

Basic earnings per share is computed by dividing income available to common shareholders (the numerator) by the weighted-average number of common shares (the denominator) for the period. The computation of diluted earnings per share is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

At May 31, 2004, there was no variance between basic and diluted loss per share as there were no potentially dilutive common shares outstanding.

Financial Instruments
- ---------------------

At March 31, 2004, the fair value of the Company's financial instruments approximate fair value due to the short-term maturity of the instruments.

(2) Related Party Transactions

During February 2004, the Company issued 16,667 shares of its common stock as payment for a $5,000 advance from a former officer ($.30 per share).

During the year ended May 31, 2003, the Company's president contributed $14,500 for working capital. This amount is included in the accompanying financial statements as Additional paid-in capital.

During the years ended May 31, 2004 and 2003, two officers advanced the Company a total of $111,194 and 10,500, respectively. During January 2004, the Company issued the officers promissory notes for the balances owed. The notes are due on demand and carry no interest rate. During February 2004, the Company repaid one officer $50,000. The remaining balance due of $71,694 is included in the accompanying financial statements as Indebtedness to related parties.

(3) Note Payable

On October 28, 2003, the Company issued a $30,000 promissory note to its former president as payment for services related to the CytoDyn NM Acquisition Agreement. The note carried a five percent interest rate and was due on January 27, 2004. The Company repaid the $30,000 note, and $442 in accrued interest, in February 2004.

(4) Shareholders' Equity

Preferred Stock
- ---------------

The Board of Directors is authorized to issue shares of preferred stock in series and to fix the number of shares in such series as well as the designation, relative rights, powers, preferences, restrictions, and limitations of all such series. The Company had no preferred shares issued and outstanding at May 31, 2004.

Common Stock Sales
- ------------------

From February 2004 through April 2004, the Company sold 1,800,000 shares of its common stock at $.30 per share for net proceeds totaling $486,000, after deducting offering costs of $54,000. The Company relied upon exemptions from registration believed by it to be available under federal and state securities laws in connection with the sales.

The Company has filed a Registration Statement on Form SB-2 with the SEC to offer for sale 250,000 common shares at a price of $.75 per share. To date, the SEC has not declared the Form SB-2 effective.

Stock Options - Employees
- -------------------------

During May 2004, the Company granted 150,000 common stock options to an officer with exercise prices ranging form $.50 to $1.50 per share. The Company's common stock had no traded market value on the date of grant. The market value of the stock was determined to be $.30 per share base on contemporaneous sales of common stock to unrelated third party investors. The weighted average exercise price and weighted average fair value of these options as of May 31, 2004 were $1.00 and $.-0-, respectively. 50,000 options vest on May 10, 2005, an additional 50,000 options vest on May 1, 2006, and the final 50,000 options vest on May 1, 2007.

Pro forma information regarding net income and earnings per share is required by SFAS 123 as if the Company had accounted for its granted stock options under the fair value method of that Statement. The fair value for the options granted during the fiscal year ended May 31, 2004 was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Risk-free interest rate.....	3.00%
Dividend yield.....	0.00%
Volatility factor.....	0.00%
Weighted average expected life.....	3 years

The Black-Scholes options valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options. Although the above options were determined to have $-0- fair value, the Company has presented the pro forma net loss and pro forma basic and diluted loss per common share using the assumptions noted above.

<TABLE>
<CAPTION>

	For the Years Ended May 31,	
	2004	2003
Net loss, as reported	$ (362,060)	$ (30,229)
Pro forma net loss	$ (362,060)	$ (30,229)
Basic and diluted net loss per common share, as reported	$ (0.06)	$ (0.01)
Pro forma basic and diluted net loss per common share	$ (0.06)	$ (0.01)

The following schedule summarizes the changes in the Company's outstanding stock options:

	Options Outstanding and Exercisable		
	Number of Shares	Exercise Price Per Share	Weighted Average Exercise Price Per Share
<S>	<C>	<C>	<C>
Balance at May 31, 2002.....	-	$0.00	$ -
Options granted.....	-	$0.00	$ -
Options exercised.....	-	$0.00	$ -
Options expired.....	-	$0.00	$ -
Balance at May 31, 2003.....	-	$0.00	$ -
Options granted.....	150,000	$0.50 to $1.50	$ 1.00
Options exercised.....	-	$0.00	$ -
Options expired.....	-	$0.00	$ -
Balance at May 31, 2004.....	150,000	$0.50.to $1.50	$ 1.00

</TABLE>

(5) Income Taxes

A reconciliation of the U.S. statutory federal income tax rate to the effective tax rate is as follows:

	For the Year Ended May 31,	
	2004	2003
U.S. Federal statutory graduated rate	34.00%	15.00%

State income tax rate, net of federal benefit	3.17%	4.08%
Net operating loss for which no tax benefit is currently available	(37.17%)	(19.08%)
	0.00%	0.00%

At May 31, 2004, federal and state deferred tax assets consisted of a net tax asset of $140,338, which was fully allowed for in the valuation allowance of $140,338. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The change in the valuation allowance for the years ended May 31, 2004 and 2003 totaled $134,570 and $5,768, respectively. The current tax benefit also totaled $134,570 and $5,768 for the years ended May 31, 2004 and 2003, respectively. The net operating loss carryforward expires through the year 2024.

The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the deferred tax asset will be realized. At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets is no longer impaired and the allowance is no longer required.

At October 28, 2003, the date of the Acquisition Agreement, Rexray had an accumulated deficit of $18,639 and CytoDyn NM had an accumulated deficit of $1,601,912. As a result of the reverse business combination accounting required for the acquisition, the accumulated deficit of CytoDyn NM is the historical information reported in the financial statements. However, because of the ownership change, the Company's tax net operating loss carryforwards generated prior to the ownership change may be subject to an annual limitation, which could reduce or defer the utilization of these losses.

(6) Commitments and Contingencies

The Company entered into a noncancellable operating lease for office space that commenced November 14, 2003 and expires November 30, 2004. Payments required under the operating lease are $495 per month.

The Company has committed to grant a financial representative warrants to purchase 426,000 shares of the Company's common stock. The warrants will carry an exercise price of $.30 per share and will expire after five years from the date of grant. To date, the warrants have not been exercised.

The Company has signed Personal Service Agreements with three officers that cover the two years ended May 31, 2005 and 2006. Under the terms of the agreements, if an officer is terminated by the Company without cause or terminates service for good cause within six months of a change in control, the Company is required to pay the officer the balance of the base salary for the term of the agreement and for an additional 12 months after the expiration of the term.

(7) Concentrations of Credit Risk

The Company has concentrated its credit risk for cash by maintaining deposits in financial institutions, which may at times exceed the amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation ("FDIC"). The loss that would have resulted from that risk totaled $85,954 at May 31, 2004, for the excess of the deposit liabilities reported by the financial institutions over the amount that would have been covered by FDIC. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

(8) General and Administrative Expenses

General and administrative expenses consist of the following:

	For the Year Ended May 31,		October 28, 2003 Through May 31,
	2004	2003	2004
Salaries and payroll taxes	$ 96,102	$ --	$ 96,102
Legal	163,477	13,213	$ 147,158
Consulting	35,000	--	$ 35,000
Other professional fees	11,559	--	$ 11,559
Patent fees	20,919	1,204	$ 20,919
Office, travel, and other	30,189	15,812	$ 26,992
	$ 357,246	$ 30,229	$ 337,730

(9) Litigation

CytoDyn NM (predecessor in interest to CytoDyn, Inc.) filed a lawsuit against Amerimmune Pharmaceuticals, Inc. ("Amerimmune") and its former officers and directors in California Superior Court in Los Angeles County. CytoDyn NM filed

the action claiming unjust enrichment. A trial date of November 3, 2004 has been set. The former CEO of Amerimmune, Rex Lewis filed a counter claim against the former officers and directors of CytoDyn of NM. Some of these officers and directors are also officers and directors of the Company. The Company's management believes the chance of an unfavorable outcome is remote.

CytoDyn, Inc., et al. v. Amerimmune, Inc. et al., Case number SC039250, California Superior Court in and for the County of Ventura.

The action was filed on April 21, 2004. The Company is seeking declaratory relief that the February 2000 Conditional License Agreement with CytoDyn NM was breached and terminated no later than September 2001. The company's management believes the chance if an unfavorable outcome is remote.

No dealer, salesperson or any other individual has been authorized to give any information or to make any representation not contained in this Prospectus in connection with the offer made by this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by CytoDyn. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities other than the securities offered by this Prospectus, or an offer to sell or a solicitation of an offer to buy any security by any person in any jurisdiction in which such offer or solicitation is unlawful.

CYTODYN, INC.

PROSPECTUS

250,000 SHARES

885,000 SHARES
426,000 SHARES

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Until (90 days after the date of this Prospectus), all dealers effecting transactions in the registered securities, whether or not participating 505-988-5520 in this distribution, may be required to deliver a Prospectus. This is in addition to the obligation of dealers to delivering a Prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

CYTODYN, INC.
200 West De Vargas St. Suite 1,
Santa Fe, New Mexico 87501

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article 101-117 of Colorado Corporate Statutes provides for the indemnification of our officers, directors, employees and agents under certain circumstances, for any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorneys' fees and any expenses, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding if that person acted in good faith and in a manner the person reasonably believed to be in the best interests of the corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the

conduct of the person was unlawful.

Our articles of incorporation contain a provision for the indemnification of CytoDyn's directors in Article Eight , which provides that we shall indemnify to the maximum extent permitted by law, any director, officer, agent, fiduciary or employee against any claim or expense incurred by reason of being a party to any legal proceeding, except for acts or omissions involving intentional misconduct, fraud or a knowing violation of law. Article VI of our bylaws contain similar provisions.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of CytoDyn, pursuant to the foregoing provisions, or otherwise, CytoDyn 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.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth an itemized statement of all expenses in connection with the issuance and distribution of the securities being Registered, all of which are estimated.

Securities and Exchange Commission filing fee	$ 148.34
Printing and engraving expenses	$ 1,000.00
Legal Fees and expenses	$ 25,000.00
Registrar and transfer agent fees	$ 1,000.00
Accounting fees and expenses	$ 10,000.00
Blue sky fees and expenses	$ 3,500.00
Total	$ 40,648.34

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES.

On May 3, 2002, we issued 800,000 shares of common stock to our former president, James B. Wiegand, at .001 per share, in exchange for services valued at $8,000. Mr. Wiegand is a sophisticated person who had superior access to all corporate and financial information. The issuance was done in reliance upon Section 4(2) of the Securities Act.

From May 17, 2002 through May 21, 2002, we issued 340,000 shares to 34 shareholders at .01 per share, for a total of $3,400 cash. All investors were sophisticated and received access to corporate and financial information. The issuance was made in reliance upon Rule 506 of Regulation D of the Securities Exchange Commission. We relied upon exemptions from registration believed by it to be available under federal and state securities laws in connection with the offering. The shares were sold through our officer and director James B. Wiegand.

Stock for Services

During October 2002, we issued 20,000 shares of its common stock to a vendor in exchange for financial printing services. The transaction was valued at the cost of the services rendered. The number of shares issued was based on the contemporaneous sale of common stock to unrelated third parties and other analysis, or $.01 per share ($200).

In October 2003, pursuant to the Acquisition Agreement between CytoDyn and CytoDyn of New Mexico, Inc., we issued a total of 5,362,640 post-reverse split shares of the common stock at a price of .01 per share, for a total of 53,264, to CytoDyn of New Mexico, Inc., a corporation whose shareholders include Allen D. Allen and Corinne Allen, in exchange for $10,000 cash and the trademarks, CytoDyn and Cytolin, as well as a related registered trademark symbol, and the assignment of that certain patent license agreement dated July 1, 1994 by and between Allen D. Allen and CytoDyn of New Mexico, Inc., which license covers U.S. Patent No.s 5424066 ("Method for increasing CD4+ cell numbers through the use of monoclonal antibodies directed against self-reactive, CD4 specific cytotoxic T-cells,") 5651970 ("Method for inhibiting disease associated with the Human Immunodeficiency Virus through the use of monoclonal antibodies directed against anti-self cytotoxic T-lymphocytes or their lytics",) and 6534057 ("Method for increasing the delayed-type hypersenstivity response by infusing LFA-1-specific antibodies"). The issuance was made to sophisticated persons who had access to all corporate and financial information, in reliance upon Section 4(2) of the Securities Act. As part of the Acquisition Agreement, we also assumed $161,578 in liabilities, including $61,694 owed to Allen D. Allen and Corinne Allen.

In September 2003, we issued a total of 600,000 shares of common stock at $0.05 per share, for a total of $30,000, to three accredited investors, one, in Montana and 2 in Colorado, with access to all corporate and financial information, in a private offering, in reliance upon Section 4(2) of the Securities Act. The shares were sold through our officer and director. There was no general solicitation for these securities.

In April 2004, we issued a total of 1,800,000 shares of common stock at $.30 per share for a total of $540,000. These shares were sold to accredited investors

only. The issuance was made in reliance upon Rule 505 of Regulation D of the Securities Exchange Commission.

During the period from October 2002 through October 27, 2003, Amery Coast Corporation ("ACC"), at that time an affiliate under common control contributed office space to us. The office space was valued at $100 per month based on the market rate in the local area and is included in the accompanying financial statements as "Contributed rent, related party" expense with a corresponding credit to "Additional paid-in capital".

In October 2003, Allen D. Allen advanced us the sum of $10,000. The advance does not bear interest and is payable on demand.

On October 28, 2003 we issued a promissory note to our former president, James B. Wiegand in the principal amount of $30,000, to compensate Mr. Wiegand for services rendered. The note bears interest at the rate of 5% per annum and was paid in February 2004.

On December 26, 2003, Corinne Allen advanced us the sum of $50,000 for working capital. The advance does not bear interest and is payable on demand. We repaid in the advance in February 2004.

In February 2004, we issued 16,667 shares to our Executive Vice President, Brian McMahon, valued at $0.30 per share, for a total of $5,000, for repayment of debt.

In the second quarter of 2004, we issued warrants to J.P. Turner, the financial representative in our private placement, to purchase 426,000 common shares over five years at an exercise price of $0.30 per share.

ITEM 27. EXHIBITS

Number		Description
*	3.1	Articles of Incorporation of CytoDyn.
**	3.2	Certificate of Amendment to Articles of Incorporation of CytoDyn.
*	3.3	Bylaws of CytoDyn.
****	4.1	Specimen Common Stock Certificate.
****	5.1	Opinion of Kenneth G. Eade, Attorney at Law.
***	10.1	Acquisition agreement dated September 30, 2003 between Rexray Corporation and CytoDyn of New Mexico, Inc.
***	10.2	Amendment No. 1 to agreement dated September 30, 2003 between Rexray Corporation and CytoDyn of New Mexico, Inc.
*****	10.3	Office Lease Agreement
*****	10.4	Conditional License Agreement and court order for its termination.
*****	10.5	Master Agreement for Professional Services with Symbion
****	23.1	Consent of Kenneth Eade (included in Exhibit 5.1).
****	23.2	Consent of Cordovano and Honeck
****	23.3	Consent of Cordovano and Honeck for Amendment
****	99.1	Subscription Agreement
****	10.6	Patent License Agreement from CytoDyn of New Mexico. Inc and Amendment
****	10.7	Personal Services Agreements for Executives
****	10.8	Change of Control Agreements for Executives
****	10.9	Proprietary Information and Inventions Agreements for employees

* Incorporated by reference to Registration Statement on Form 10KSB, filed July 11, 2002;

** Incorporated by reference to Current Report on Form 8K, filed November 12, 2003

*** Incorporated by reference to Amended Current Report on Form 8K/A, filed December 1, 2003

**** Incorporated by reference to Registration Statement of Form 10KSB filed September 14, 2004.

***** Filed herewith

ITEM 28. UNDERTAKINGS.

The undersigned Company undertakes to:

(a)(1) File, during any period in which it offers or sells securities, a post-effective amendment to this Registration Statement to:

(I) Include any prospectus required by Section 10(a)(3) of the Securities Act; ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in 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 a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) Include any additional or changed material information on the plan of distribution. (2) For determining liability under the Securities Act, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering. (3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

(e) Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of CytoDyn, pursuant to the provisions referred to under Item 24 of this Registration Statement, or otherwise, CytoDyn 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 CytoDyn of expenses incurred or paid by a director, officer or a controlling person of CytoDyn 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, CytoDyn will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of competent jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(f)(1) For determining any liability under the Securities Act, treat the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by CytoDyn under Rule 424(b)(1), or (4), or 497(h) under the Securities Act as part of this Registration Statement as of the time the Commission declared it effective.

(2) For determining any liability under the Securities Act, treat each post-effective amendment that contains a form of prospectus as a new registration statement for the securities offered in the registration statement, and that offering of the securities at that time as the initial bona fide offering of those securities.

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 on Form SB-2 and authorized this registration statement to be signed on its behalf by the undersigned, thereto duly authorized, in the City of Studio City, State of California, on October 21, 2004.

CYTODYN, INC.

By: Allen D. Allen

Allen D. Allen,
Chairman of the Board and President

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Allen D. Allen and Corinne Allen, and each of them, his attorneys-in-fact, each with the power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to sign any registration statement for the same offering covered by this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) promulgated under the Securities Act of 1933, and all post-effective amendments thereto, and to file the same, with all exhibits thereto in all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every Act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or any of them, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

In accordance with the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates stated.

Signature	Title	Date
/s/ Allen D. Allen Allen D. Allen	Chairman of the Board, President, and Director	October 21, 2004

/s/ Corinne Allen Corinne Allen	Secretary/Treasurer, Director	October 21, 2004
/s/ Wellington A. Ewen Wellington A. Ewen	Chief Financial Officer	October 21, 2004
/s/ Ronald J. Tropp Ronald J. Tropp	Director	October 21, 2004
/s/ Daniel M. Strickland Daniel M. Strickland	Director	October 21, 2004
/s/ Peggy J. Pence Peggy J. Pence	Director	October 21, 2004

EXHIBIT 10.3

Lease

This Indenture, made this 14th day of November, 2003 by and between Lewinger Hamilton Santa Fe LLC (for purposes of this Lease any reference to Lessor is actually the position of Sublessor) hereinafter, whether singular, plural, masculine, feminine, neither, designated as "Lessor", which espression shall include Lessor's heirs, personal representatives, assigns and successors in interest, and CytoDyn Inc. a Colorado Corporation (for purposes of this lease any reference to Lessee ix actually the position of Sublessee) hereinafter, plural, masculine, feminine, or neuter, designated as "Lessee", which expression shall include all Lessee's, jointly and severally, and shall include Lessee's heirs, personal representatives, assigns, and successors in interest; WITNESSETH:

I. DEMISE OF PREMISES.
Lessor, for and in consideration of the covenants and agreements herein contained to be kept and performed by Lessee. Lessee's heirs personal representatives, assigns, and successors in interest, and upon the terms and conditions herein contained, does hereby let, lease, and demise to Lessee the following described premises situated in the city of Santa Fe, in the county of Santa Fe, State of New Mexico, to-wit:

The one office space further described on Exhibit B, attached hereto and made a part hereof, which is a part of Suite 1, 200 West Devargas, Santa Fe, NM 87501

II. TERM OF LEASE
The term of this lease shall be for a period of Twelve (12) months, beginning on the 14th day of November, 2003, and ending on the 30th day of November, 2004. Subject to the status of Lessor's lease.

III. RENT
Lesee, for and in consideration of this Lease and the demise of the said premises by Lessor to Lessee, hereby agrees and covenants with Lessor to pay as rent for said premises, without notice or demand, the sum of Four Hundred Ninety Five Dollars ($495.00) per month in the following manner to wit.

Payable on the first of each month. Upon execution of this lease, Lessee will pay the proraate rent for the remainder of November, 2003 and a $495.00 security deposit.

All of the rent shall be paid by Lessee to Lessor or Lessor's order in lawful money of the United States at 200 West DeVargas Street, Suite 1, Santa Fe, NM 87501 or at such other place as Lessor may designate from time to time for this purpose.

IV. USE OF PREMISES
Lesse, for and in consideration of this Lease and the demise of the said premises by Lessor to Lessee, hereby agrees and convenants with Lessor to use and occupy the said premises for the purpose of professional office space and for no other purpose without first obtaining written consent of Lessor therfor, Lessee shall not use or occupy or permit the demised premises to be used or occupied, or do or permit anything to be done in or on the demised premises, in a manner which will make void or voidable any insurance then in force with repect thereto, or which will make it impossible to obtain fire or other insurance required to be furnished hereunder, or which will cause or be likely to casue structural damage to the demised premises or any portion thereof, or which will constitute a public private nuisance. Further, the Lessee shall not use or occupy or permit the demised premises to be used or occupied for any other business, purpose, or be deemed disreputable or extra-hazardous, or for any purpose or in any manner which is in violation of any present or future municipal. state and federal ordinances, laws, rules and regulations.

V. CONDITION OF PREMISES AND REPAIRS.
Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with Lessor that Lessee has examined the said premises prior to execution hereof, knows the condition thereof, and acknowledges that Lessee has received the said demised premises in good order and condition, and that no representation or warranty as to the condition or

repair of the said premises has been made by Lessor, and, at the expiration of the term of this Lease, or any renewal or extension thereof, Lessee will yield up peaceably the said premises to Lessor in as good order and condition as when the same were entered upon by Lessee, loss by fire or inevitable accident, damge by the elements, and reasonable use and wear excepted; that Lessee wil keep, at Lessee's own expense, the said premises in good order and repair during the term of this Lease, or any extension or renewal therof, and will repair and replace promplty, at Lessee's own expense, any and all damage, including, but not limited to, damage to roof, walls, floors and foundations, heating and cooling units, plumbing, glass, sidewalks, and all other appertenances, that may occur from time to time; that Lessee hereby waiver any and all right to have such repairs or replacements made by Lessor or at Lessor's expense; and that, if Lessee fails to make such repairs and replacements promptly, or if such repairs and replacements have not been made within fifteen (15) days after the occurrence of damage, Lessor may, at Lessor's option, make such repairs and replacements, and Lessee hereby agrees and covenants to repay the cost thereof to Lessor on demand.

VI. LIABILITY OF LESSOR.

Lessor, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with Lessor that Lessor shall not be liable for any damge to persons or property arising from any cause whatsoever, which shall occur in any manner in or about the said premises, and Lessee hereby agrees to indemnify and save harmles Lessor from any and all claims and liability for damage to persons or property arising from any cause whatsoever, which shall occur in any manner in or about the said demised premises, or to any part thereof, or to any property or effects therein or thereon, caused by leakage from the roof of said premises or by bursting, leakage, or overflowing of any waste pipes, water pipes, tanks, drains, or stationary washstands or by reason of any damage whatsoever caused by water from any source whatsoever, and Lessee hereby agrees and covenants to indemnify and save harmless Lessor from any and all claims and liability for any damage to the said demised premises; or to any part thereof, or to any property or effects therein or thereon.

VII. REQUIREMENTS OF PUBLIC AUTHORITY.

Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agress and covenants with Lessor that during the term of this Lease, Lessee shall, at its own cost and expense, promptly observe and comply with all present and future municipal, state, and federal ordinances, laws, rules, and regulations affecting the demised premises or apportenances thereto, or any part thereof whether the same are in force and effect at the time of the commencement of the term of this Lease or may in the future be passed, enacted, or directed, and Lessee shall pay all costs, expenses, liabilities, losses, damages, fines, penalties, claims, and demands, including reasonable attorney's fees, that may in any manner arise out of or be imposed because of the failure of Lessee to comply with the covenants and agreements of this paragraph VII. Further, Lessee hereby agrees and covenants with Lessor that if Lessee fails to comply promptly with any present or future municipal, state, and federal ordinances, laws, rules, and regulations, or fails to comply by such time that compliance may be required by law, Lessor may, at Lessor's option, take such actions as may be necessary to comply with all present and future municipal, state, and federal ordinances, laws, rules, and regulations, and Lessee hereby agrees and covenants to repay the cost incurred by Lessor in taking such action to Lessor on demand.

VIII. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS.

Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with Lessor that Lessee shall not make, or suffer or permit to be made, any alterations, additions, or imporvements whatsoever in or about the said demised premises without first obtaining the written consent of Lessor therefore, provided, however, that such consent, if given shall be subject to the express condition that any and all alterations, additions, and improvements shall be done at Lessee's own expense and in accordance and compliance with all applicable municipal, state, and federal ordinances, laws, rules, and regulations, and that Lessee hereby covenants and agrees with Lessor that in doing and performing such work, Lessee shall do and perform the same at Lessee's own expense, in conformity and compliance with all applicable municipal, state, and federal ordinances, laws, rules, and regulations, and that no liens of mechanies, materialmen, laborers, architects, ???????, contractors, sub-contractors, or any other lien of any kind whatsoever shall be created against or imposed upon the said demised premises, or any part thereof, and that Lessee shall indemnify and save harmless Lessor from any and

all liability and claims for damages of every kind and nature which might be made, or from judgments rendered against Lessor or against said demised premises on account of or arising out of such alterations, additions, or improvements.

IX. OWNERSHIP OF ALTERATIONS, ADDITION, AND IMPROVEMENTS.
Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with Lessor that any and all alterations, additions, and improvements, except signs, shelving, movable furniture and equipment not affixed to the roof, walls, or floors, made at Lessee's own expense after having first obtained the written consent of Lessor therefor, in accordance with the provisions contained in Paragraph VIII hereof, whether or not attached to the roof, walls, floors, foundations, or the premises in any manner whatsoever, shall immediately merge and become a permanent part of the reality, and any and all interest of the Lessee therein shall immediately vest in Lessor, and all such alterations, additions, and improvements shall remain on the said premises and shall not be removed by Lessee at the termination of this Lease. The signs, shelving, moveable furniture and equipment not affixed to the roof, walls, or floors, shall be removed by Lessee at Lessee's expense on or before the termination of the Lease, and Lessee shall repair any damage caused thereby at Lessee's own expense, such that the premises shall be in as good order and condition as when the same were entered upon by Lessee.

X. ASSIGNMENT AND SUBLETTING. See Exhibit A.
Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with Lessor that neither Lessee nor Lessee's heirs, personal representatives, assigns, or successors in interest shall assign this Lease or sublet the said demised premises, in whole or in part, without first obtaining the written consent of Lessor therefore, that no assignment of this Lease or any subletting of the said demised premises, in whole or in part, shall be valid, except by and with the written consent of Lessor first obtained; that the consent of Lessor to any such assignment or subletting shall not operate to discharge Lessee or Lesse's heirs, personal representatives, assigns, or successors in interest from thir liability upon the agreements and covenants of this Lease, and Lessee, Lessee's personal representatives, assigns, and successors in interest shall remain liable for the full and complete performance of all of the terms, conditions, covenants, and agreements herein contained as principals and not as guarantors or sureties, to the same extent as though no assignment or sublease had been made; that any consent of Lessor to any such assignment or subletting shall not operate as a consent to further assignment or subletting or as a waiver of this covenant and agreement against assignment and subletting and that following any such assignment or subletting the assignee and/or sublettee shall be bound by all of the terms, conditions, covenants, and agreement herein contained including the covenant against assignments and subletting.

XI. UTILITY AND OTHER CHARGES. See Exhibit A - Utilities paid by Lessor.

XII. LESSOR'S RIGHT OF ENTRY AND TO MAKE ALTERATIONS, ADDITIONS, AND IMPROVEMENTS.
Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with Lessor that Lessor, Lessor's heirs, personal representatbies, assigns, agents, attorneys, and successors in interest shall have the right at any time, upon reasonable notice to Lessee, to enter upon the said premises to inspect the same and to make any and all improvements, alterations, and additions of any kind whatsoever upon the said premises, providing such improvements, alterations, and additions are reasonably necessary or convenient to the use to which the said premises are being put at the time, but at no time shall Lessor be compelled or required to make any improvements, alterations, or additions.

XIII. TAXES, OTHER ASSESSMENTS, AND INSURANCE.

Lessee and Lessor hereby covenant and agree that all taxes and special and general assessments of whatsoever kind and nature, extraordinary as well as ordinary, which have been or may be levied upon the said demised premises and upon any alterations, additions, and improvements thereon, shall be paid by Owner at the time when the same become due and payable, and that all taxes and special and general assessments of whatsoever kind and nature, extraordinary as well as ordinary, which have been or may be levied upon the personal property located upon the said demised premises shall be paid by Lessee at the time when the same shall become due and payable. Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with

Lessor to carry and maintain in fullforce and effect during the term of this Lease, and any extension or renewal thereof, at Lessee's expense, public liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to Lessor, with limits of coverage of not less than $500,000 for each person and $1,000,000 in the aggregated for bodily injury or death liabilty for each accident and $100,000 for property damage liability for each accident, for the benefit of both Lessor and Lessee as protection against all liability claims arising from the premises. Lessee hereby agrees and covenants with Lessor to deliver a copy of the insurance policy or policies to Lessor at the beginning of the term of this Lease, or as soon thereafter as practible, and to give Lessor not less than ten (10) days written notice informing Lessor of the expiration of any such policy. Fire and extended coverage insurance upon all buildings, alterations, and imporvements upon the said premises shall be provided for as follows: Owner of the building, and fire and extended coverage insurance upon all of the contents and other personal property situated upon the said premises shall be provided for as follows: Owner of such personal property.

It is understood and agreed by and between the parties that a copy of each policy of fire and extended coverage insurance shall be provided to the parties hereto at the beginning of the term of this Lease, or as soon thereafter as practicable, and that the party who is responsible for paying the premioms on each policy of fire and extended coverage insurance shall give the other party not less than ten(10) days' written notice informaing theo ther party of the expiration of any such policy.

XIV. HOLDING OVER.
Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with Lessor that there will be no holding over by Lessee after the expiration of this Lease, or any renewal or extension thereof.

XV. BANKRUPTCY AND CONDEMNATION.
Lessee, for and in consideration of this Lease and the demise of the said premises, hereby agrees and covenants with Lessor that should Lessee make an assignment for the benefit of creditors or should be adjudged bankrupt, either by voluntary or involuntary proceedings, or if otherwise a receiver or trustee should be appointed by any court of competent jurisdiction for Lessee because of any insolvency, or any execution, attachment, replevia, or other court order should be issued against the Lessee or any of Lesse's property whereby the demised premises or any building or buildings, or alterations, additions, or improvements thereon, shall be deemed a breach of this Lease, and, in such event, Lessor shall have the option to forthwith terminate this Lease and to re-enter the said demised premises and take possession thereof, whereupon Lessee shall quit and surrender peaceable the said demised premises to Lessor. In no event shall this Lease be deemed an asset of Lessee after the assignment for the benefit of creditors, the adjudication in bankruptcy, the appointment of a receiver or trustee, or the issurance of a Writ of Execution, a Writ of Attachement, a Writ of Replevia, or other court order against Lessee or Lessee's property whereby the demised premises or any building or buildings, or alterations, additions, or improvements thereon, shall be taken or occupied or attempted to be taken or occupied by someone other than the Lessee. Further, Lessee hereby covenants and agrees with Lessor that in the event the said demised premises, or any part thereof, shall be taken for any public or quasi-public use under any Statute or by right of eminent domain, this Lease shall automatically terminate, as to the part so taken, as of the date possession shall have been taken, and the rent reserved shall be adjusted so that Lessee shall be required to pay for the remainder of the term that portion of the rent reserved in the proportion that the said demised premises remaining after the taking for public or quasi-public use bears to the whole of the said demised premises before the taking for public or quasi-public use. All damages and payments resulting from the taking for public or quasi-public use of the said demised premises shall accrue to and belong to Lessor and Lessee shall have the right to any part thereof.

XVI. DESTRUCTION
Lessee, for and in consideration of this Lease and the demise of the said premises, agrees and covenants with Lessor that if at any time during the term of this Lease, or any execution or renewal thereof, the said demised premises shall be totally or partialy destroyed by fire, flood, earthquake, or other calamity then Lessor shall have the option to rebuild or repair the building or buildings, and any alterations, additions, or improvements on the demised

premises in as good condition as they were immediately prior to such calamity, proved, however, that such rebuilding or repair shall commence within a period of thirty days after notice in writing to Lesor of such destruction or damage. In such case, a just an proportenate part of the rental herein specified shall be abated until such demised premises shall have rebuilt and repaired. In case, however, Lessor shall within thirty dayd following notice in writng to him of such damage elect not to rebuild or repair said premises, Lessor hall so notify Lessee and therupon this Lease shall terminate and become null and void. Moreover, in no event, shall Lessor have any duty or obligation to rebuild or repair any sign, shelving, moveable furniture, equipment not affixed to the roof, walls, or flors as a permanent part of the realty, or any other personall property owned or leased by the LEssee and used to carry out the purpose for which Lessee is leasing the demised premises.

XVII. SIGNS

Lessor and Lessee covenant and agree that Lessee may at Lesse's own expense erect and maintain a sign or signs to carry out the purpose for which Lessee is leasing hte said demised premises, provided, however, the location, type and design of all exterior signs shall be first approved in writing by Lessor and Owner of building. Upon the expiration of this Lease, or any renewal or estension thereof, Lesse shall remove such sign and shall repair any adamge to the premises caused thereby at Lessee's one expense. Further, at any time within thirty days prior to the termination of this Lease or any renewal or extension thereof, Lessor sahll have the right to place upon any part of said demised premises an "For Rent" or "For Lease" signs that Lessor may select.

VIII. TERMINATION AND REMEDIES. See Exhibit A.

It is expressly understood and agreed between the parties hereto, that if the rent above reserved, or any pary thereof, shall be in arrears or unpaid on the day of payment whereon the same ought to be paid as aforesaid, or fi default shall be made in any of the covenants or agreements herein conatined to be kept by Lessee, Lessee's heirs, personal representatives, assigns, and successors in inerest, it shall and may be lawful for the Lessor, Lessor's heirs, personal representatives, agents, attorneys, assigns, or successors in interest, at Lessor's election, to declare said term ended and to re-enter said premises, or any aprt thereof either with or without process of law, and to expel, remove, and put out the Lessee, or any other person or persons occupying the demised premises, using such force as may be necessary in so doing, and to repossess and enjoy the same premises again as in as first and former state, and to distrain for any rent that may be due thereon any property belonging to Lesee, whether or not the same be exempt from execution and distress by law, and Lessee in that case hereby waives any and all legal rights which Lessee now has or may have, to hold or retain any such property uner any execmption laws now or hereafter in force in the State of New Mexico, or in any other way it is the intent of the parties hereto to hereby recofnize in Lessor, Lessor's heris,personal representatives, assigns, or successors in interest, a valid first lien as provided by the laws of New Mexico, upon any and all goods, chattels, and other prperty belonging to Lessee and located in said premises, as security for the payment of said rent and fulfillment of the faithful performance of the agreements, covenants, terms and conditions hereof as herein provided anything herein before mentioned to the contrary notwithstanding. And if at any time said term shall be ended at such election of Lessor, Lessor's heirs, personal representatives, assigns or successors in interest, do hereby covenant and agree to surrender and eliver up the above described premises and property peaceably to Lessor, Lessor's heirs, personal representatives assigns or successors in interes, immediately upon the termination of said term as aforesaid and if Lessor shall remain in possession of the same ten(10) days after notice fo such default, or after the termination of the Lease in any of the ways above named. Lessee shall be deemed guilty of a forcible detainer of said premises under the laws of New Mexico and shall be subject to tall the conditions and provision above named, and shall also be subject to eviction and removal forcible or otherwise, with or without process of law as above stated. Further, it is covenanted and agreed by and between the parties hereto that at any time after any such termination, the Lessor may refer the demised premises, or any part

thereof, in the name of the Lessor or otherwise, for such term and or such conditions as the Lessor, in Lessor's sole and absolute diecretion may determine, and may collect and receive the rent therefor. Moreover, in the event Lessor relets the demised premises or any part thereof, it is explicitly understood and agreed by and between the parties hereto that the term may be greater or lesser than the period which would otherwise have constituted the balance of the term of this Lease, and the conditions may include free rent or

other concession which may be reasonable required to induce another party to leaseth demised premises. Notwithstanding anythgin herein to the contrary, the Lessor shall have no obligation hereunder to relet the demised premises, or any part thereof, and shall in no way be responsible or liable for any failure to collect any rent due upon such releting. It is also covenanted and agreed by and between the parties hereto that no such termination fo this Lease shall event of any such termination, whether or not the demised premises, or any part thereof, shll have been relet the total remining balance of the rent which would be due and payable for the remainder of the term of this Lease. If this Lease were stil in effedt, lessthe net proceeds of any releting effected pursuant to the Lessor's sole discretion, after deducting from the net proceeds all fo the Lessor's expenses in conneciton with such releting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, reasonable attorney's fees, alteration costs, and expenses of prepartion for such releting, shall become immediately due and payable, as and for liquidated damages by of such termination, an amount equal to the maximum allowed by and statute or rule of law in effect at the time when and governing the proceedings in which such damages are to be proved, whether or not such amount be greater than, equal to , or less than the amount of the difference referred to above, and whether or not such amount shall be immediately or otherwise due and payable. Further, it is covenanted and agreed to by and between the parties hereto, that in addition to other remedies provided for in this Lease, the Lesssor shall be entitled to restraint by injunction of the violation, or attempted or threatened violation, of any agreement or covenant of this Lease, or to a decree specifically compelling perfomance of such ag\reement or covenant. The Lesee, the Lesee's heirs, personal representatives, assigns or successors in the institution of legal proceeding to that end. Lessee, the Lesse's heirs, personal representatives, assigns or successors in interest to provided for in any statute or of hereby expressly waives any right of redemption or re-entry or repossession or to restore the operation of this Lease in case the Lessee shall be dispossess by a judgment or by warrant of any court or judge or in case o re-entry or repossession bythe Lessor. It is further covenanted and agreed by and between the parties hereto, that the Lessee shall pay and discharge all costs, reasonable attorney's fees, and expenses incurred by Lessor, Lessor's heirs, personal representatives, assigns or successors in interest in enforcing the covenant of this Lease, or incurred by Lessor in pursuing any or all remedies which are or may be available hereunder or allowed at law or in equity, or incurred by lLessor in connection with releting the demised premises.

XIX. LESSOR'S REMEDIES ARE CUMULATIVE.

The specified remedies to which the Lessor may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress in which the Lessor may be lawfully entitled in case of any breach or threatened breach by the Lessee of any or the agreements and covenants herein contained.

XX. WAIVERS.

Lessee, for and in consideration of this Lease and the demise of the said premises, agrees and covenants with Lessor that the delay or omission in the enforcement of any of the agreements and covenants herein contained, or in the exercise of any of Lessor's rights hereunder, shall not effect the duty of the Lessee to thereafter faithfully fulfill and perform all of the agreements and covenants herein contained, and that the failure, neglect, or omission of Lessor to terminate this Lease for any one or more breached of any agreements and covenantas hereof, shall not be deemed a consent by Lessor of such breach and shall not impede, impair, carop, bar, or prevent Lessor from thereafter terminating the Lease either for suc hviolation, or for prior or subsequent violations of any covenant or agreement hereof.

XXI. BINDING ON HEIRS, PERSONAL REPRESENTATIVE, ASSIGNS, AND SUCCESSORS IN INTEREST

It is understood and agreed by and between the parties herein that the agreements, covenants, terms, conditions, provisions, and undertakings in this Lease, or in any extension or renewal thereof, shall extend to and be binding upon the heirs, peronal representative, assigns, and successors in interest of the respective parties hereto, as if they were in every case named and expessed and shall be construed as running with the Land and wherever reference is made to either of the parties hereto, it shall be held to and include and apply also to the heirs, personal representative, successors, and assign of such pary, as if in each and every case so expressed.

XXII. ADDRESSES FOR NOTICES.
Any and all notices required or permitted to be given hereunder shall be considered to have been given if in writing and delivered to the reespective aprty designated below upon the date of such personal delivery, or upon a date three (3) days following the mailing of any such notice by certified or registerd mail, return receipt requested, addressed to the respective party at the respective address set forthe below, or at such other address as either party may furnish the other for this purpose by written notification delivered or mailed to the other as herein provided.

NOTICES OT LESSOR:

200 West DeVargas St.
Suite 1
Santa Fe, NM 87501

NOTICES TO LESSEE:

200 West DeVargas St.
Suite 1
Santa Fe, NM 87501

XXIII. DECLARATION OF CONTRACTUAL LIABILITY
If there is more than one party Lessee, the covenants and agreements of the Lessee shall be joint and several obligations fo each such party

XXIV. GRAMMATICAL USAGE
In construing this Lease, feminine or neuter pronouns shall be substituted for those masculine in form and vice versa, and plural terms shall be substituted for singular and singular for plural in an yplace in which the context so requires.

XXV. COVENANT TO EXECUTE ADDITIONAL INSTRUMENTS
The parties hereto hereby agree to execute and deliver any instruments in writing necessary to carry out any agreement, covenant, term, conditions, or assurance in this Lease whenever so occasion shall arise and request for such instrument shall be made.

XXVI. SEVERABILITY.
If any provision of this Lease, or any applicaion thereof shall be declared invalid or unenforceable by any court of competent jurisdiction, the remainder of this Lease and any other application of such provision, shall continue in fullforce and effect.

XXVII. CAPTIONS
The section headings are for convenience of refernce only and shall not otherwise affect the meaning hereof.

XXVIII GOVERNING LAW.
This Lease shall be governed by and construed in accordance with the laws of the State of New Mexico.

XXIX AMENDMENTS.
It is understood and agreed by and between the parties hereto that this Lease shall not be altered, changed or amended except by instrument in writing executed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

LESSOR:

- _____

Corinne Allen

LESSEE:

_____

For Lessor

- _____

ACKNOWLEDGEMENTS

A. For a natural person in his own right

STATE OF NEW MEXICO }
} ss.
COUNTY OF _____ }

This instrument was acknowledged before on _____, 20__
(date)

by _____
Name(s) of person(s)

_____
Notary Public

My commission expires _____
(SEAL)

B. For a coporation or incorporated association:

STATE OF NEW MEXICO }
} ss.
COUNTY OF _____ }

This instrument was acknowledged before on _____, 20__
(date)

by _____
Name(s) of person(s)

_____
Notary Public

EXHIBIT 10.4

CONDITIONAL LICENSE AGREEMENT

THIS CONDITIONAL LICENSE AGREEMENT ("Agreement") is made and entered into as of the 24th day of February, 2000 ("Effective Date"), by and between, on the one hand; Allen D. Allen ("Allen") and CytoDyn of New Mexico, Inc., a New Mexico corporation ("CytoDyn") (Allen and CytoDyn are individually and collectively referred to herein as "Inventor"), and, on the other hand, Amerimmune, Inc., a Colorado corporation ("Amerimmune").

RECITALS

A. Inventor has developed certain technolgy that is more specifically described on Exhibit A hereto (the "Technology") and claims rights to the trademarks CYTODYN and CYTOLIN and the goodwill associated herewith and registrations and applications for registration thereof (the "Marks"):

B. Inventor has previously entered into a Termination and Shareholder Agreement dated August 1, 1998 with Three R Associates, Inc., a California corporation ("3R"), concerning the assignment to 3R of all rights of Inventor in and to the Technology and the Marks.

C. Pursuant to that certain Patent and Trademark License Agreement, dated October 24, 1998 between 3R and Amerimmune (the "3R License Agreement"), Amerimmune has worldwide exclusive right and license in and to the Technology and the Marks from 3R.

D. Inventor has represented to Amerimmune that circumstances have arised leading Inventor to question Inventor's transfer, if any, of the Technology and the Marks to 3R.

E. In the event that Inventor's transferof rights to the Technology and the Marks to 3R was ineffective, invalid or in any manner inoperative or in the event that rights in and to the Technology and the Marks otherwise revert to or are acquired by Inventor, Amerimmune desires to obtain from Inventor, and Inventor is willing to grant to Amerimmune, an exclusive worldwide license in and to the Technology and the Marks on the terms contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual convenants contained herein, the parites hereto hereby agree as follows:

I. DEFINITIONS. The following terms shall have the following meanings for purposes of this Agreement:

1.1 Allen. "Alien" shall mean Allen D. Allen.

1.2 Amerimmune. "Amerimmune" shall mean Amerimmune, Inc., a Colorado corporation which is a wholly owned subsidiary of API.

1.3 API. "API" shall mean Amerimmune Pharmaceuticals, Inc., a Colorado corporation.

1.4 Confidential Information. "Confidential Information" shall' mean (i) the Know How and the Trade Secrets, as defined in Exhibit A attached hereto, and (ii) all confidential information or trade secrets of, on the one hand, Amerimmune or its affiliates, including without limitation API, and, on the other hand, Inventor or its affiliates, disclosed orally, in writing or otherwise by one party, to the other party, or to their respective affiliates, officers, agents or employees. In order to be included in "Confidential Information" pursuant to (ii) in the preceding sentence, the disclosing party must mark written disclosures as "Confidential" or must give written notice identifying the Confidential Information within five (5) business days after the disclosure. "Confidential Information" shall not be deemed to include information that is publicly known or that becomes publicly known through no fault of Inventor (with repect to Amerimmune's Confidential Information), or through no fault of Amerimmune (with respect Inventor's Confidential Information).

1.5 Inventor. "Inventor" shall mean Allen and CytoDyn of New Mexico, Inc., a New Mexico corporation, individually and collectively.

1.6 License. "License shall mean the license granted pursuant to Section 2.1 hereof.

1.7 License Condition: "License Condition" shall mean that Inventor's transfer of rights to the Technology and the Marks to 3R is held by a court or arbitrator of competent jurisdiction, or by agreement between Inventor and 3R, to have been ineffective, invalid or in any manner inoperative, or the rights in and to the Technology and the Marks otherwise revert to or are acquired by

Inventor.

1.8 Licensed Products. *Licensed Products" shall mean all products and/or services that (i) are developed, manufactured, marketed, distributed, imported and/or sold by Amerimmune or its successors, assigns and/or subtlicensees, in connection with the Marks, and/or (ii) incorporate or utilize or are manufactured using any of the Technology.

1.9 Loan Agreement. "Loan Agreement" shall mean the Amendment to Loan Documents of even date herewith between Amerimmune and Allen attached hereto as Exhibit B.

1.10 Marks. "Marks" shall mean all worldwide rights in and to the marks CYTODYN and CYTOLIN and all goodwill appurtenant thereto and all present and future U.S. and foreign registrations and applications for registration thereof, any corporate names and trade names for terms similar to CYTODYN and CYTOLIN, and the domain name registration for CYTOLIN.

1.11 Technology. "Technology" shall have the meaning set forth on Exhibit A attached hereto.

1.12 Term. "Term" shall mean the period set forth in Section II hereof.

1.13 3R. "3R" shall mean Three R Associates, Inc., a California corporation.

1.14 3R License Agreement. "3R License Agreement" shall mean that certain Patent and Trademark License Agreement dated October Z8, 1998 between 3R and Amerimmune.

2. LICENSE OF RIGHTS TO MARK AND TECHNOLOGY

2.1 License. In the event that the License Condition is satisfied, Inventor shall be deemed to have granted to Amerimmune, and Amerimmune shall be deemed to have accepted, an irrevocable (subject to the terms of this Agreement), exclusive, worldwide right, license and privilege (including the right to sublicense subject to the terms, of this Agreement) to use the Marks and the Technology (as now owned or hereafter acquired by Inventor or Inventor's successors or assigns) during the Term in connection with the development, manufacture, use, marketing, distribution, import, offer for sale and/or sale of Licensed Products. Except as otherwise set forth herein, the foregoing license shall be exclusive even with respect to Inventor, and Amerimmune shall have the right to use such names and marks, including without limitation the Marks, in connection with labeling, packaging and advertising the Licensed Products, as Amerimmune shall determine in its sole discretion; but (i) nothing contained herein shall be construed to require CytoDyn to change its corporate name or to prevent CytoDyn from utilizing "CytoDyn" as its corporate name or as an Internet domain name, and (ii) neither Amerimmune nor Inventor shall use "cytolin" in whole or part as an active Internet domain name, but either may use the term "CYTOLIN" in articles and discussions appearing at their respective web sites. Amerimmune may use Allen's name and bibliography and biography (as permitted by law) in promoting Licensed Products, but shall take reasonable steps to ensure that any such uses preserve Allen's good reputation.

2.2 Further Assurances: Cooperation.

(a) Notification. Inventor shall immediately notify Amerimmune in writing in the event of the (i) transfer or reversion of any of the Technology or Marks to, or the acquisition of any of the Technology or Marks by Inventor or any affiliate of Inventor, or (ii) acquisition by Inventor or any affiliate of Inventor from 3R of any capital stock or any proxy (including without limitation a return of any proxy previously granted to 3R) or other right to vote the stock of API and/or Amerimmune.

(b) Cooperation. Inventor shall execute such documents and instruments as' Amerimmune shall reasonably request from time to time to the license herein granted, and may cause such documents or instruments, to be recorded in the records of the United States Patent and Trademark Office ("PTO") and such other offices as Amerimmune shall deem appropriate.

(c) Documentation. Frin time to time following execution of this Agreement, Inventor shall furnish to Amerimmune all information and documents regarding the Technology and the Marks, including without limitation research and development reports and all other data relating to the Technology, as shall be reasonably requested by Amerimmune.

2.3 Patent Marking. Amerimmune shall mark all Licensed Prodcuts or the packaging for such Licensed Products with patent numbers in accordance with statutory requirements and prudent practice pursuant to industry standards and, pending the issue of any patents covering the

Licenced Products, shall cause the term "Patent Pending" to appear on such Licensed Products or the packaging for such Licensed Products.

2.4 Protection of Rights

(a) Prosecution. Amerimmune may apply for patent and trade mark protection for the Techwfogy and the Marks in the name of Inventor in all countries of the world, or Inventor shall file such applications in Inventor's name as Amerimmune shall reasonably request; all of which shall be subject to the License, using counsel of Amerimmune choice. Inventor shall diligently prosecute and maintain or, at Amerimmune's election, shall cooperate with Amerimmune in prosecuting and maintaining all such, patent and- trademark applications, patents and trademark registrations, using counsel of Amerimmune's choice. Inventor shall execute all papers, documents, and instruments necessary to enable Amerimmune to cause to be prepared, filed and prosecuted, such applications for letters patent and trademark registration in such countries of the world as Amerimmune shall, in its sole discretion, determine is advisable. Notwithstanding anything else contained in this Agreement, neither Amerimmune/API nor a patent or trademark attorney or agent used by Amerimmune/API pursuant to this Agreement shall have power of attorney to assign, transfer, sell or register the patents or Marks owned by or applied for in the name of Inventor. The patent attorney used by Amerimmune pursuant to this paragraph shall possess the specialized qualifications enumerated in Exhibit F.

(b) Notices. Throughout the Term, Inventor shall promptly notify Amerimmune in writing of all patent and trademark applications, patents, and trademark registrations with respect to any of the Marks or the Technology that are being prosecuted or maintained by Inventor, and all changes of status of any such patent, applications or registrations, accompanied by complete and accurate copies of all documents pertaining thereto. Within a reasonable period of time before deadlines of or due dates relating to any such patent and trademark applications, patents and trademark, Inventor shall provide Amerimmune with copies of all relevant documentation so that Amerimmune may be informed and apprised of the continuing prosecution and maintenance, and provide substantive comment and input thereon. In the event that Amerimmune from time to bale during the Term provides directions to Inventor in connection with prosecution and maintenance of such patent and trademark applications, patents and trademark registrations, Inventor shall comply with the directions given by Amerimmune, provided such directions are reasonable.

(c) Reimbursement. Amerimmune shall directly pay or shall reimburse Inventor for all fees and costs (including but not limited to attorneys', engineering and drafting fees) that are authorized in advance by Amerimmune for preparing, filing, prosecuting and maintaining the patent and trademark applications, patent and trademark registrations covering the Technology and the Marks. Inventor shall provide Amerimmune with documentation to support these costs upon request of Amerimmune. Inventor shall provide periodic statements to Amerimmune showing the amount to be reimbursed to Inventor under the provisions of this Section 2.4(d), Payment to Inventor shall be due within thirty (30) days of the date of these statements. If Amerimmune does not reimburse Inventor or notify Inventor in writing of a good faith dispute over the amount required to be reimbursed within thirty (30) days of receipt of a statement from Inventor, Inventor shall have the right to give Written Notice pursuant to Section 11.2 hereof to terminate the License with respect to such patent or trademark application, patent or trademark registration for which reimbursement has not been paid.

3. CONSIDERATION

In consideration for entering into this Agreement, Amerimmune has agreed to advance an additional $50,000 to Inventor pursuant to the terms of the Loan Agreement. In addition, as consideration for the License, upon Inventor's delivery to Amerimmune of evidence satisfactory to Amerimmune that (i) the License Condition has been satisfied with respect to all of the Technology and the Marks, and that (ii) Amerimmune's obligations under the 3R License Agreement have terminated, Amerimmune agrees to continue to pay to Inventor directly the consideration provided for in Section 4(b) of th 3R License Agreement and Section 2 of Letter Agreement dated August 1, 1998 (which Section, together with the definitions for "Inventor" and "Licensee" from the 3R License Agreement and Letter Agreement, both attached hereto as Exhibit C and are herein incorporated by reference) and to take such other actions as are provided for in Exhibit D attached hereto.

4. SURRENDER OF STOCK

In the event that Inventor hereafter directly or indirectly acquires,

purchases (other than bona fide cash purchases of API common stock in the open market at prevailing market prices), is awarded or otherwise receives from 3R, the current stockholders of 3R, or their respective affiliates or successors in interest any shares of capital stock of API and/or Amerimmune, Inventor shall immediately for no additional consideration surrender to API and/or Amerimmune, as applicable all such shares of capital stock of API and/or Amerimmune for return to treasury stock.

5. CONFIDENTIALITY

Each of Amerimmune and Inventor shall regard and preserve the Confidential Information of the other party as secret and confidential, and shall not publish or disclose any Confidential Information in any manner without the prior written consent of the other party. Each of Amerimmune and Inventor shall use the same level of care to prevent disclosure of the other party's Confidential Information that it exercises in protecting its own Confidential Information and shall in any event take all reasonable precautions to prevent the disclosure of Confidential Information to any third party. Except as otherise provided herein, before disclosing Confidential Information to a third palsy ("Recipient"), the disclosing party shall obtain a written commitment from the Recipient to observe the confidentiality provisions of this Section 5. Each party acknowledges and agrees that, in addition to any other available rights or remedies, a disclosing party shall be entitled to specific performance, injunctive relief and any other equitable remedy for the breach or default or threatened breach or default of this Section 5 and waives any defense that a remedy at law or damages is adequate. In addition to the confidentiality provisians described above, Inventor agrees to be bound by the confidentiality provisions contained in Exhibit G attached hereto. Neither party shall publicize the terms of this Agreement without the prior written consent of the other party (except as required in connection with any legal proceeding or arbitration, as required by law, or to the extent reasonably required in connection with any merger, acquisition, reorganization, capital or financing transaction), but each party shall have the right to publicize the existence of this Agreement. Inventor shall have the right to publish the results of any studies and/or trials in connection with the Technology that confirms (as opposed to that contradicts) information or study results already in the public domain.

6. QUALITY CONTROL

Amerimmune agrees to maintain reasonable quality standards common in the industry for the Licensed Products to be distributed or sold by Amerimmune in connection with any of the Marks or. Technology, and Amerimmune agrees to manufacture or have manufactured such Licensed Products in accordance with such standards. Inventor or its designated representatives shall have the right to inspect the materials, manufacturing sites and processes employed by Amerimmune in connection with, and samples of, such Licensed Products to assure that Inventor that such quality standards are being complied with. Any such inspection shall be preceded by at least two (2) full business days' advance written notice, and shall be at Inventor's sole cost and expense.

7. IMPROVEMENTS

Amerimmune shall have the right to improve through its own research and development. All such improvements that do not infringe the claims of the Patents shall be the property of Amerimmune, and improvements that infringe the claims of the Patents shall be the property of Inventor, but still be subject to the License. Amerimmune and Inventor promptly notify the other of improvements to the Technolgy which either party shall invent, create, develop or acquire during the Term.

8. REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Authority. Each party represents and warrants to the other party that (i) this Agreement has been duly authorized, executed and delivered by it and that this Agreement is binding obligation of it, enforceable in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, and to general equitable principles, and (ii) such party's performance under this Agreement will not violate any agreement with any third party or any federal, state or local law or regulation.

8.2 Title; Validity; Infringment. Inventor represents, warrants and covenants to Amerimmune that: (i) Investor is the sole inventor of the inventions included in the Technology; (ii) except for rights claimed by 3R, Iventor is the sole owner of all right, title and interest interest in and to the Technology and the Marks; (iii) Inventor has not done or omitted any act , nor shall Inventor do or omit any act, which would impair the validity of the Technology or the Marks or any part thereof or Inventor's ability to effect the transactions contemplated by this Agreement; (iv) all of the statements,

declarations and claims made in any application for letters patent included in the Technology are true, and correct in all respects and Inventor knows of no prior art not disclosed is such applications; (v) except for rights claimed by 3R, Inventor has the sole right and full power to license the Technology and the Marks to Amerimmune, and no consent of any other party is necessary or appropriate to the consummation of the transactions contemplated to be performed by Inventor under this Agreement; (vi) with the exception of rights assigned by Inventor to 3R and licenses that have heretofore, been terminated in accordance with their terms, Inventor has not granted, nor prior to or during the Term

shall Inventor grant, any interest in or to the Technology or the Marks by way of assignment, license, encumbrance, obligation, agreement, security interest, lien, option or otherwise to any third party; (vii) to the best knowledge of Inventor and its officers and director, the Technology and the Marks, and Amerimmune's exploration of the right licensed thereto pursuant to this Agreement, does not and will not infringe any valid patent, trade secret, copyright, trademark of other proprietary right of any thrid party; and (viii) Inventor and its officers and directors are mot aware of any present or potential third party infringement of the Technology or the Marks, except as set forth on Exhibit E attached hereto.

8.3 Certain Representations, Warranties and Covenants of Amerimmune. Amerimmune represents, warrants and covenants to Inventor that: (i) Amerimmune has not done or omitted any act, nor shall Amerimmune do or omit any act, which would impair the validity of the Technology or any part thereof or Amerimmune's ability to effect the transactions contemplated by this Agreement; (ii) Amerimmune has not sublicensed any interest in or to the Technoly or the Marks to any third party, and (iii) Amerimmune and its officers and directors are not aware of any present or potential third party infringement of the Technology.

8.4 Acknowledgment by Amerimmune. Amerimmune acknowledges that Inventor has advised Amerimmune that a License from Coulter Immunology, Inc. may be required for Amerimmune to manufacture S6F2 Antibodies.

9. INFRINGEMENT

9.1 Third Party Infringement. If Inventor learns of facts that it concludes may constitute an infringement of any of the Technology or the Marks by any third party, Inventor shall promptly notify Amerimmune in writing, setting forth such facts and the basis for its conclusion, and include with such notice any other reasonably available evidence in support thereof.

(a) Substantial Infringements. Ameriimmune shall take appropriate action at Amerimmune's expense against "Substantial Infringements" of the Technology or the Marks ("including without limitation filing a lawsuit or arbitration against such third party infringer, if necessary). For purposes hereof, a "Substantial Infringement" shall be an infringement of Technology or Marks (i) where failure by Amerimmune to take appropriate action against such infringement would result in partial or total loss or abandonment of rights to the infringed Technology and/or Marks, or (ii) if the infringement has resulted in more more than a 25% reductions in sales of Licenced Products in any country after introduction into the market in such country of the infringing product. Unless Inventor agrees otherise in writing, Amerimmune's failure to commence appropriate action against a Substantial Infringement within thirty (30) days after learning or receiving written notice of such infriingement shall result in the termination of the License in such country with respect to the Marks (if one of the Marks is the subject of the such Substantial Infringement) or the infringed Technology.

(b) Other Infringements. Amerimmune shall have the right, but not thr obligation, at Amerimmune's expense to take such action against infringements other than Substantial o Infringements as Amerimmune deems appropriate. If Amerimmune declines to take action (i.e. send

demand letter, file lawsuit) against an infringer within thirty (30) days of receipt of notice thereof from Inventor, Inventor shall have the right to take action against such infringer upon giving at least fifteen (15) days prior written notice. Amerimmune shall have the right to participate in such action, at Amerimmune's expense. Inventor shall not settle any action against a third party infringer of the Technology or the Marks without Amerimmune's prior written consent, which consent shall not be unreasonably withheld.

(c) Recovery. Amerimmune shall be entitled to any monetary award, judgment or settlement resulting from action brought or taken by Amerimmune against a third party infringer. Inventor shall be entitled to any

monetary award, judgment or settlement resulting from action brought or taken by Inventor against a third party infringer. Any monetary award, judgment or settlement resulting from action brought or taken jointly by Amerimmune and Inventor shall be divided between Amerimmune and Inventor pari passu based on each party's financial contribution towards such result.

9.2 Nominal Plaintiff: If any infringement action, suit or proceeding is brought hereunder by Amerimmune to enforce any rights in the Technology or the Marks, Inventor shall upon request and at the expense of Amerimmune, cooperate with Amerimmune and be named, joined and participate therein as a nominal plaintiff.

10. INDEMNIFICATION

10.1 Inventor Indemnification. Inventor shall infemnify, harmless and defend Amerimmune and its officers, directors, employees, representatives and agents; from and against any and all claims, demands. lawsuits, actions, proceedings, liabilities, losses, damages, fees, costs and expenses (including without limitation attorneys' fees and costs of investigation and experts) resulting from or arising out of (i) any breach by Inventor of this Agreement, including without limitation any breach of the representations, warranties and covenants of Inventor hereunder, (ii) any claim by 3R or any other party that this Agreement represents as interference with a contractual relationship or otherwise violates such party's rigts, or (iii) any claim that Amerimmune's exploitation of any rights in the Technology and the Marks herein licensed infringes or voilates any patent, copyright, trademark or other right of any third party unless any such infringement or violation is due to actions or inactions by Amerimmune other than by reason of Amerimmune's exercise of its rights licensed pursuant to this Agreement; but Amerimmune shall not be entitled to indemnification hereunder for infringement exclusively resuling from Amerimmune's improvements to the Technology.

10.2 Amerimmune Indemnification. Amerimmune shall indemnify, hold harmless and defend Inventor and its officers, directors; employees, representatives and agents, from and against any and all claims, demands, lawsuits, actions, proceedings, liabilities, losses, damages, fees, costs and expenses (including without limitation attorneys' fees and costs of investigation and experts) resulting from or arising out of (i) any breach by Amerimmune of this Agreement, including without limitation any breach of the representations, warranties and covenants of Amerimmune hereunder, and (ii) the use of the Licensed Products (including without limitations any product liability claims) and/or the development, manufacture, marketing, distribution and/or sale by Amerimmune of the Licensed

Products (except for infringement claims covered by Section 10.1(iii) above) In addition, Amerimmune shall require any sublicensee to agree to indemnify Inventor from and against all product liability claims by persons purchasing Licensed Products from such sublicensee and/or its agent of distributors.

11. TERM.

11.1 Term. The term of the License shall commence as of the later of (i) the date first above written, or (ii) the date that the License Condition is satisfied; and shall terminate (i) with respect to the Patents or any other patents covered by this Agreement, upon the expiration of the last to expire of such Patents or patents; (ii) with respect to the Know-how and Trade Secrets, and any improvements thereto, and the Marks, upon termination of this Agreement as provided in Section 11.2 below; it being the intent of the parties that, absent such termination, the license with respect to such Know-how, Trade Secrets, and any improvements thereto, and Marks shall be in perpetuity.

11.2 Termination. Inventor may terminate the License for a material breach of this Agreement by Amerimmune by delivering written notice to Amerimmune setting forth that Amerimmune is in material breach of this Agreement and specific statement of such material breach or breaches (the "Written Notic"). The License will terminate (A) 30 days after the receipt of the Written Notice (i) if material breaches capable of being corrected within such 30 days have not been corrected, or (ii) for material breaches not capable of being corrected within 30 days of receipt of the Written Notice, if correction of such breach is not commenced within such 30, days and prosecuted reasonably diligently therafter, and (B) immediately upon receipt of the Written Notice in the case of material breaches incapable of being corrected.

11.3 Effect of Termination. Upon termination of the License, Amerimmune shall transfer to Inventor all rights which Amerimmune may have, if any, to the Technology and the Marks, and all rights to any sublicenses may have been granted pursuant to terms hereof.

12. NOTICE

Any notice or other communication hereunder must be gives in writing and either (i) delivered in person, (ii) transmitted by telex, facsimile or telecopy mechanism provided that any notice so given is also mailed as provided hereiin, (iii) delivered by Federal Express or similar commercial delivery service or (iv) mialed by certified mail, postage prepaid, return receipt requested, to the party to which such notice or communication is to be given at the adress set forth on the signature page of this Agreement or to such other address or to such other person as either party shall have last designated by such notice to the other party. Each such notice or other communciation shall be effective (i) if given telex, facsimile or telecopy mechanism, when transmitted, (ii) if given by mail, two (2) days after such communication is deposited in the mails and addressed as aforesaid, (iii) if given by Federal Express of similar commercial delivery service one (1) business day after such communications is deposited with such service and addressed as aforesaid, and (iv) if given by any other means, when acutally delivered at such address.

13. DISPUTE RESOLUTION BY REFEREE

Amerimmune and Inventor agree to waive the right to a jury trial and to submit any disagreement or controversy arising under or relating to this Agreement or subjet matter hereof for resolution by a trial on Order of Reference. Such trial shall be conducted by a retired judge of justice having expertise in commerical disputes and who is acceptable to both parties. The retired judge or justice shall be appointed pursuant to the provisions of California Code of Civil Procedure ss.638(1) or any amendment, addition or successor section thereto. If the parties are unable to agree upon a retired judge or justice panel to act as referee, then upon petition by either party to the presiding judge of the Superior Court of the State of California for the County of Los-Angeles, Central District for such other judge as the presiding judge may designate for such purpose), such shall in his or her sole discretion select one retired judge or justice who shall serve as the referee. Such referee shall hear the dispute or controversy until the final determination thereof pursuant to Article VI, Section 21 it of the California Constitution, Section 638 of the California Code of Civil Procedure, and Rule 244.1(a) of the California Rules of Court. The referee shall conduct such reference proceeding, including making orders relating to discovery to take place in connection therewith, so that the period of time from such referee's appointment until the reference proceeding is concluded is no longer than six (6) months (such period is directory only and a failure to conclude such proceeding within such period shall result in a loss of jurisdiction by the referee). The referee's award shall be in writing and shall include a statement of decision, in accordance with Section 1632 of the California Code Civil Procedure. The parties shall pay in advance to the referee, the estimated reasonable fees and costs of the reference as may be specified in advance by the referee. The parties shall share equally, by paying their proportionate amount, the fees of the reference. The parties intend this general reference agreement to be specifically enforceable.

14. GOVERNING LAW

This Agreement and the legal relations the parties shall be governed by and construed in accordance with the laws of the State of California, except where such are governed exclusively by federal law.

15. RELATIONSHIP

Each party shall conduct all business in its own name as an independent contractor. No joint venture, partnership, employment agency or similar management is created between parties. Neither party has the right or power to act for or on behalf of the other in any respect, to pledge its credit, to accept any service of process upon it, or to receive any notices of any nature whatsoever on its behalf.

16. SEVERABILTY

If any provision of this Agreement is determined to be illegal, invalid or otherwise unenforceable by a court of competent jurisdiction then, to that extent and within the jurisdiction in

which it is illegal, invalid or unenforceable, it shall be limited, construed or severed and deleted from this Agreement, and the remaining extent and/or

remaining portions hereof shall survive, remain in full force and effect and continue to be binding and shall not be affected except insofar as may be necessary to make sense hereof, and shall be interpreted to give effect to the intention of the parties insofar as that is possible.

17. BREACH: REMEDIES

In the event of a breach of this Agreement, the non-breaching party shall be entitled to exercise any right or remedy available to it hereunder, at law or in equity, indluing without limitation -- specific enforcement of the terms hereof. The exercise of any right or remedy available to a party shall not preclude the concurrent or subsequential exercise by it of any other right or remedy and all rights remedies shall be cumulative.

18. ENTIRE AGREEMENT

This Agreement (including Exhibits A-G attached hereto which are incorporated by this reference) contains the entire agreement between the parties with respect to the subject MATTER hereof and supersedes all previOus negotiations, agreements, arrangements and understandings with respect to the subject matter hereof.

19. INTERPRETATION

The normal rule of construction that an agreement shall be interpreted against the drafting party shall not apply. In this Agreement, wherever the context so requires, the masculine, feminine or neuter gender, and the singular or plural number or tense, shall include the others.

20. AMENDMENT AND WAIVER

Neither this Agreement nor any of its provisions may be amended, modified or waived except in a writing duly executed by an authorized officer of the party to be bound thereby.

21. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective legal representatives, successors and assigns.

22. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and such counterparts together shall constitute the agreement.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the day and year above written.

/s/ Allen D. Allen
- ----------
Allen D. Allen
4236 Londgridge Avenue #302
Studio City, California 91604
Facsimile:_____

Amerimmune, Inc.
21550 Oxnard Street, Suite 830
Woodland Hills, California 91367
Facsimile:(310)768-2026

BY: /s/ Rex H. Lewis

Name: Rex H. Lewis

Facsimile:_____

Name _____
Title:_____

Consent of spouse of Allen D. Allen
The unersigned, who is the wife of Allen D. Allen, consents to the terms of the foregoing Agreement.

EXHIBIT A

TECHNOLOGY

"Technology" shall mean the Patents, Patent Rights, Know-hoe, Products and Trade Secrets, as such terms are hereafter defined, existing upon commencement of the

Term (as such term is defined in the Agreement), together with any improvements to any of the foregoing invented, created, developed or acquired by Inventor during the Term.

The "Patents" shall mean all right, title and interest in the inventions, processes and improvements described and claimed in United States Patent No. 5,424,066 entitled METHOD FOR INCREASING CD4+ CELL NUMBERS THROUGH THE USE OF MONOCLONAL ANTIBODIES DIRECTED AGAINST SELF-REACTIVE, CD4 SPECIFIC CYTOTOXIC T-CELLS issued June 13, 1995 and United States Patent No. 5,651,970 entitled INHIBITING DISEASE ASSOCIATED WITH THE HUMAN IMMUNODEFICIENCY VIRUS THROUGH THE USE OF MONOCLONAL ANTIBODIES DIRECTED AGAINST ANTI-SELF CYTOTOXIC T-LYMPHOCYTES OR THEIR LYTICS, issued July 29, 1997.

The "Patent Rights" shall mean foreign patent applications corresponding to the Pantents, together . with any U.S. or foreign continuations, divisional or continuation-in-part applications and all other applications relating in any way to the subject matter described, in the Patents and any letters patent related thereto as well as reissue and/or re-examine patents issuing thereon, and shall include without limitaion pending U.S. patent application nos. 08/940,22 7 (METHOD FOR TREATING DISEASE INCLUDING MOLLUSCUM CONTAGIOSUM ASSOCIATED WITH THE HUMAN IMMUNDODEFICIENCY VIRUS THROUGH THE USE OF MONOCLONAL ANTIBODIES) and 08/940,228 (TREATMENT OF HIV INFECTION (sic) BY INFUSING A DOSE OF SELECTED MONOCLONAL ANTIBODIES THAT INHIBIT PRODUCTION OF LYMPHOCYTE- ASSOCIATED MOLECULE (sic) 1(LFA-1) ON CD8 CELLS).

"Know-how" shall mean all know-how, intellectual property, technical expertise, inventions, information, improvements, computer programs, algorithms, data, discoveries, ideas, and concepts, whether or not patentable or copyrightable, including but not limited to medical, clinical, pharmaceutical, pharmacological, topological, toxicological or other scientific data (including without limitation preclinical and clinical data, notes, reports, models and samples), unique methods, processes, techniques, designs, formulas, configurations of any kind, computer graphics, apparatus products, devices, software, specifications, drawings and all testing, assaying and analysis methodologies in any manner pertaining or relating to, resulting from or useful in connection with the Patents or Patent Rights.

"Products" shall mean all product that embody or make use of all or any part of the Patents or Patent Rights Know-how.

"Trade Secrets" shall mean all documents and information in any form that have been originated by, are peculiarly within the knowledge of or are proprietary to Inventor in whole or in part, and are

subject to protection under recognized legal principles as trade secrets or otherwise pertaining or relating to, resulting from or useful in connection with the design, manufacture, installation, sales, marketing, administration, use, repair or operation of products, processes or services pertaining or relating to, resulting from useful in connection with the Patents or Patent Rights or Know-how or Products.

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, state and bar number and address):
THOMAS C. MUNDELL, #99081

MARSHALL L. BRUBACHER, #199100
MUNDELL, ODLUM & HAWS, LLP
2829 Townsgate Rd., Ste. 320, Westlake Village, CA 91361
TELEPHONE NO: (805)446-2221 FAX NO (Optional): (805)446-2251
E-MAIL ADDRESS (Optional):
ATTORNEY FOR (Name): Plaintiffs Cytodyn, Inc. and Allen D. Allen

SUPERIOR COURT OF CALIFORNIA, COUNTY OF Ventura
STREET ADDRESS: 3855-F Alamo Street
MAILING ADDRESS: P.O. Box 1200
CITY AND ZIP CODE: Simi Valley 93062-1200
BRANCH NAME: East County Division
PLAINTIFF: Cytodyn, Inc. , et al.

DEFENDANT: Amerimmune, Inc., .et al.

JUDGMENT			CASE NUMBER:
[ ] By Clerk	[X] By Default	[ ] After Court Trial	
[ ] By Court	[ ] On Stipulation	[ ] Defendent Did Not Appear at Trial	SC039250

JUDGMENT

1. [X] BY DEFAULT
   a. Defendant was properly served with a COPY of the summons and complaint.
   b. Defendant failed to answer the complaint or appear and defend the action within the time allowed by law.
   c. Defendant's default was entered by the clerk upon plaintiff's application.

   d. [ ] Clerk's Judgment (Code Civ. Proc.,ss.585(a)). Defendant was sued only on a contract or judgment of a court of this state for the recovery of money
   e. [X] Court Judgment (Code Civ. Proc.,ss.585(b)). The court considered
      (1) [ ] plaintiff's testimony and other evidence
      (2) [X] plaintiffs written declaration
      (Code Civ. Proc.,ss.585(a)).

2. [ ] ON STIPULATION
   a. Plaintiff and defendant agreed (stipulated) that a judgment be entered in this case. The court approved the stipulated judgment and
   b. [ ] the signed written stipulation was filed in the case.
   c. [ ] The stipulation was stated in open court.
      [ ] the stipulation was stated on the record.

3. [ ] AFTER COURT TRIAL. The jury was waived. The court considered the evidence.

   a. The case was tried on (date and time):
      before (name of judicial officer):
   b. Appearances by:

      [ ] Plaintiff (name each); [ ] Plaintiff's attorney (name each);

      (1) (1)

      (2) (2)

      [ ] Continued on Attachment 3b:

      [ ] Defendant (name each): [ ] Defendant's attorney (name each):

      (1) (1)

      (2) (2)

      [ ] Continued On Attachment 3b:

   c. [ ] Defendant did not appear at trial. Defendant was properly served with notice of trial.

   d. [ ] A statement of decision (Code Civ. Proc., ss 632)
      [ ] was not [ ] was requested.

<TABLE>

<CAPTION>

PLAINTIFF:	Cytodyn, Inc., et al.	CASE NUMBER:
DEFENDANT:	Amerimmune, Inc., et ;a1	SCO39250

JUDGMENT IS ENTERED AS FOLLOWS BY: [X] THE COURT [ ]THE CLERK

4. [ ] Stipulated Judgment. Judgment is entered according to the stipulation of the parties.

5. Parties. Judgment is

<S> <C> <C>

a. [X] for plaintiff (name each): (1) Cytodyn, Inc.; and (2) Allen D. Allen

[ ] for cross-complainant (name each):

and against defendant (names):
(1) Amerimmune, Inc.; and
(2) Amerimmune Pharmaceuticals, Inc.
[ ] Continued on Attachment 5a.

and against cross-defendant (name each):

[ ] Continued on Attachment 5c.

b. [ ] for defendant (name each):

d. [ ] for cross-defendant (name each):

6. Amount:

a. [X] Defendant named in item 3a above must pay plaintiff on the complaint:

c. [ ] Cross-defendant named in item 5c above must pay cross-complained on the cross-complaint:

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>
(1) [ ] Damages	$	(1) [ ] Damages	$
(2) [ ] Prejudgment interest at the annual rate of %	$	(2) [ ] Prejudgment interest at the annual rate of %	$
(3) [X] Attorney fees	$22,372.54	(3) [ ] Attorney fees	$
(4) [X] Costs	$ 569.50	(4) [ ] Costs	$
(5) [ ] Other (specify)	$	(5) [ ] Other (specify)	$
(6) TOTAL	$22,942.04	(6) TOTAL	$

</TABLE>

<TABLE>
<CAPTION>

<S> <C> <C>

b. [ ] Plaintiff to receive nothing from defendant named in item 5.

[ ] Defendant named in item 5b to recover costs $

[ ] and attorney fees $

d. [ ] Cross complainant to receive nothing from cross-defendant named in item 5d.

[ ] Cross-defendant named in item 5d to recover costs $

[ ] and attorney fees $

</TABLE>

7. [X] Other (specify): SEE ATTACHED

Date: October 4, 2004 [X] _____
JUDICIAL OFFICER

Date: [ ] Clerk, by_____, Deputy

CLERK'S CERTIFICATE (Optional)

I certify that this is a true copy of the original judgment on file in the court.

Date:

Clerk, by_____, Deputy

JUDGMENT

SHORT TITLE Cytodyn, Inc., et at. v. Amerimmune, Inc., et al	CASE NUMBER: SC 039250

ATTACHMENT 7

IT IS ADJUDGED AND DECREED that (1) the license and assignment of plaintiffs' technology to defendants Amerimmune, Inc. and Amerimmune Pharmaceuticals Inc. (collectively "Defendants"), pursuant to the Conditional License Agreement dated February 24, 2000 ("CLA"), terminated no later than September 12, 2001; and (2) by reason thereof, plaintiffs are, and have been since at least that date, the owners of the technoloy licensed and assigned, pursuant to CLA, including, but not limited to, Allen D. Allen's patents (i.e., U.S. Patents Nos. 5,424,066 and 5,651,970) and the investigational new drug application BB-IND #6485, free from any claims by Defendants

(Required for verified pleading) The items on this page stated on information and belief are (specify item numbers, not line numbers):

This page may be used with any Judicial Council form or any other paper filed with the court.

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Cytodyn, Inc. and Allen D. Allen

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF VENTURA

CYTODYN, INC., a corporation; and ALLEN D. ALLEN, an individual Plaintiffs, vs. AMERIMMUNE, INC., a corporation, and AMERIMMUNE PHARMACEUTICALS, INC., a corporation; and DOES 1-100, inclusive Defendants.	CASE NO. SC039250 PLAINTIFFS' EX PARTE APPLICATION FOR AN ORDER ALLOWING SERVICE ON DEFENDANTS BY PERSONAL DELIVERY OF COPIES OF THE PROCESS AND THE ORDER GRANTING THIS APPLICATION TO THE SECRETARY OF STATE; DECLARATIONS IN SUPPORT THEREOF; EXHIBITS THERETO Dept.: S-5 Judge: Thomas Hutchins

As described below, plaintiffs Cytodyn, Inc. and Allen D. Allen have diligently attempted to serve defendants Amerimmune, Inc. and Amerimmune Pharmaceuticals,. Inc. wihtout success. Plaintiffs request that this Court issue an order permitting plaintiffs to serve defendants by delivering copies of the process and this court's order granting this this application to the California Secretary of State.

I

FACTS

A. Plaintiffs Diligent Efforts to Serve Process, on Defendant Amerimmune

Defendant Amerimmune is a wholly owned subsidiary of defendant Amerimmune

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Pharmaceuticals, Ins. ("API"). Defendant Amerimmune is a Colorado corporation that is registered to do business in California. [Brubacher Declaration 17, Exhibit B]

In the annual statement information defendant Amerimmune filed with the Secretary of State, it identified its agent for service of process as Wellington Ewen at 21550 Oxnard Street, Suite 830 Woodland Hills, California and its mailing address as One Wilshire Boulevard, Los Angeles, California 90017. [Exhibit B]

Plaintiffs attempted to serve Mr. Ewen at the 21550 Oxnard Street address, but the current resident at that address advised the process server that he did not know Mr. Ewen; that Mr. Ewen had not been at that address for more than a year; and that he did not have any forwarding information for Mr. Ewen. {Brubacher Decalaration 3; Exhibit C]

Plaintiffs' counsel then obtained an alternative address for Mr. Ewen at 6781 Shearwater Lane, Malibu, California 90265. Plaintiffs attempted to serve Mr. Ewen at this address but were informed that Mr. Ewen did not reside at that address. [Brubacher Declaration 4; Exhibit D]

Plaintiffs' counsel then learned, via an Internet search, thatMr.Ewen is currently working as the Chief Financial Officer for plaintiff Cytodyn, Inc. [Brubacher Declararion 5] Plaintiffs' counsel telephoned Mr. Ewen to discuss serving a copy of the summons and complaint on him as Amerimmune's designated agent for service of process.[Id.] Mr. Ewen told plaintiffs' counsel that he was surprised that he was still listed as the agent for service of process for Ammerimmune because he has not had any contact with anyone from Amerimmune for many months and did not know how to contact Ammerimmune; that he believed that it was a mistake that Amerimmune had not changed its designated agent for service of process; that he would not know what to do, if served with copies of the summons and complaint, and that he did not wish to accept service on behalf of Amerimmune. [Id.]

Plaintiffs did not attempt to serve Mr. Ewen because plaintiffs' counsel believed it would be inappropriate to serve defendant Ammerimmune by serving one of plaintiff Cytodyn, Inc.'s own employees who had stated that he did not wish to accept service an behalf of Amerimmune and

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address

would not know what to do with the process if served.

Finally, plaintiffs attempted to serve defendant Amerimmune at its designated mailing address (i.e., the "One Wilshire Boulevard" address). [Brubacher Declaration 6-7] However, the security guard at the One Wilshire Boulevard address stated that the tenant Amerimmune is not a tenant in that building; that he gad never heard of defendant Amerimmune; and that he has no forwarding address for defendant Amcrimmune.[Id.]

Accordingly, plaintiffs have not been able to serve defendant Amerimmune or its agent for service of process at any of the addresses it designated with the Secretary of State's office.

B. Plaintiffs' Diligent Efforts to Serve Process on API

Defendant API (the parent of defendant Amerimmune) is a Colorado corporation has been dissolved. [Brubacher Declaration 9]

Defendant API is not and has never been registered to do business in California. [Brubacher Declaration 10-11; Exhibit E]

Plaintiffs' counsel was informed by the Colorado Secretary of State that defendant API had dissolved; tbat all of API's officers have resigned; that it does not have a trustee of its assets or shareho1ders; and that it does not have a registered agent for service of process.[Brubacher Declaration 9]

Defendant API previously maintained an office at 21550 Oxnard Street, Suite 830 Woodland Hills, CA 91367 (the same address that Amerimmune designated Mr. Ewen). [Al1en Declaration 12] Defendant API does not maintain an office at that address. [Brubacher Declaration 3; Exhibit C]

Defendamt API a1so previous1y maintained an office at 920 Hampshire Road, Suite A-40, Westlake Village, Catifornia 91361. [Allen Declaration 14] Plaintiffs attempted to serve defendant API at this address but defendant API no longer maintains an offic at this address. [Lipson Declaration 7]

Plaintiffs' counsel located a possible alternative address at 2030 Main Street, Suite 1300,

Irvine, California 92614 and telephone number of (714)734-5000 for defendant API. [Brubacher Declaration 7]

Plaintiffs' counsel called (714)734-5OOO and spoke to a man who identified himself as Larry Delaney.[ld.] Mr. Delaney stated that the telephone number correspondend to 2030 Main Street, Suite l300; that defendant API did not maintain an office at that address; that API had dissolved and that all of API's officers had resigned.[ld.]

II

This Court Should Issue an Order Permitting P1aintiff to Serve Defendant by De1ivering Copies of the Process and this Court's Order to the California Secretary of State

California Code of Civil Procedure Section 416.10(d) provides that "a summons may be served by delivering a copy of the summons and of the complaint....., [w]hen authorized by any provision in Section 2111 of the Corporations Code."

California. Corporations Code Sections 21111(1) governs service of process on foreign corporations. Defendants Amerimmune and API are foreign corporations because they were organized under the laws of the State of Colorado. Cal. Corp. Code ss171 (West 2004)

Section 2111(a) provides as follows:

> "If the agent designated for service of process is a natural person and cannot be found with due diligence at the address stated in the designation..., or if no agent has been designated and if no one of the officers or agents of the corporation specified in section 2110[i.e., any officer of the corporation or its general manager in California] can be found after diligent search and it is so shown by affidavit to the satisfaction of the court, then the court may make an order that the service be made by personal delivery to the Secretary of State or to assistant or deputy secretary of

_____

1 All statutory references in this application to California's Corporations Code unless otherwise indicated.

> the state of two copies of the process together with two copies of the order, except that if the corporatian to be served has not filed the statement requircd to be filed by Secetion 2105 then only one copy of the process and order need be delivered but the order shall include and set forth and address to which the process shall be sent by the Secretary of State. Service in this manner is deemed complete on the 1Oth day after delivery of the process to the Secretary of State.

Cal. Corp. Code ss2111 (West 2004)

Defendant Amerimmune designated Mr. Ewen (a natural person) as its agent for service of process. [Exhibit B] As described in detail above, plaintiffs exercised due di1lgence in attempting to 1ocate and serve Mr. Ewen without success. Accordingly, this Court should issue an order that be made on defendant Amerimmune by personal delivery to the Secretary of State or to assistant or deputy secretary of the state of two copies of the process together witb two copies of this Court's order granting this application.

As for defendant API, it has not designated an agent gor service of process in California. [Brubacher Declaration 10-11 I; Exhibit E]. Plaintiffs cannot 1ocate any its officers or agents because defendant API has dissolved and a1l of its officers and agents have resigned their position. [Brubacher Declaration 8-9]

Plaintiffs have attempted unsuccessfully to serve defendant API at locations where it previously maintained offices. Accordingly, the Court should issue an order that the service be made on defendant API by delivering one copy of the process and this Court's order granting this application to the Secretary of State or to assistant or deputy secretary of the state as well as defendant API's last known mailing address or 920 Hampshire Road, Suite A-40, Westlake Village, California 91361.

III

Amerimmune and API Are Subect to This Court Exercising Personal Jurisdiction Over Them

In addition to the requirements of Section 2111(a) set forth above, plaintiffs must make a

factual showing via declarations that defendants Amerimmune and API have "sufficient contacts" with California to be subect to this Court exercising personal jurisdiction over them. R. Weil and. J. Brown, California Practice Guide, Civil Procedure Before Trial, ss 4:60 (TRG 2002).

A. This Court May Exercise Limited Personal Jurisdiction Over Defendants Amerimmune and API.

This Court may exercise limited jurisdiction over defendants Amerimmune and API (collectively "Defendants") if (l} Defendants "purposefully established" contacts with California; (2) plaintiffs' cause of action is "related to" Defendants' contacts with California; and (3) this Court's exercise of personal jurisdiction comports with "fair play and substantial justice." Burger King Corp. v. Rudzewicz, 471 US 462, 477-478 (1985); Vons Cos., Inc. v. Seabest Foods, Inc. l4 Cal.4th 434, 446 (1996).

In Safe-Lab, Inc. v. Weinberg, 193 Ca1.App.3d 1050 (1987), the plaintiff sued the defendant for the breach of a marketing representative contract. [Id. at lO52] The defenaant successfully moved to quash service of summons on the ground that he lacked the requisite minimum contacts with California to justify its assertion of personal jurisdiction over him. [Id.] The Safe-Lab court reversed the trial court's order quashing service and held as follows:

> "[I}t is clear the California contacts relied on by Safe-Lab are part and parcel of the consulting transaction which gives rise to this litigation. Those contacts are, essentially: (l) [defendant] contracted with a California corporation; (2) he came to California to negotiate that contract; (e) the contract provided that its terms were to be governed by California law; (4) [defendant] made monthly trips to California to consult with the Company; and {5} [five percent] of his marketing activities were directed at California. In our view, these contacts unquestionably give rise to personal jurisdiction over [defendant] as to controversies arising,from the consulting contract with Safe-Lab."

Similarly, in this action, the California contact which plaintiffs' rely are part and parcel of the Conditional License Agreement ("CLA"} which gave rise to this litigation. Specifically, the following California contacts support this Court's exercise of personal jurfisdiction over Defendants:

1. Defendant Amerimmune entered into the ClA with Cytodyn of New Mexico, Inc. and Allen D. Allen (a California.resident). [Allen Declaration 5, 9; Exhibit A, page 15]

2. All of the parties preliminary negotiations of the CLA occurred in California. [Allen Declaration 6-8]

3. Plaintiffs executed the CLa in California. [Id.]

4. The CLA provides for the application of California law. [Exhibit A, page 24]

5. The Amendment to Loan Documents that defendant API entered into with CytoDyn of New Mexico Inc. (plaintiff Cytodybn's predecessor) as part of the CLA provides for the application of California law. [Exhibit A, page 31]

6. Defendant Amerimmune is registered to do business in California. {Brubacher Declaration 5; Exhibit B]

7. Defendants Amerimmune and API operated offices in Woodland Hills, California and Westlake Village, California. [Allen Declaration 12-14]

8. Defendants' breached the CLA in California when plaintiffs called Defendants' representative Pamela Kapustay to request an inspection of defendant Amerimmune's manufacturing process and Ms. Kapustay refused the plantiffs' request. [Id.]

Based on the California contacts described above, this Court may properly exercise limited jurisdiction over Defendants.

B. Defendant Amerimmune Has Consented To This Court' s Exercise of Personal Jurisdiction Over It

Pursuant to the CLA, plaintiffs and defendant Amerimmune agreed that eitner of them could submit a petition "to the presiding judge of the Superior Court of the State California for the County of Los Angeles, Central District" for an Order of Referencefor disputes arising from or relating the CLA. By so doing, defendant Amerimmune consented to a California court (namely the Superior Court of the State of California for the County of Los Angeles, Central District) Star~uteatifvt exercising personal jurisdiction over it.

California may exercise personal jurisdiction over a nonresident has consented in advance to such jurisdiction. National Equipment Rental Ltd., v. Szukhent, 351 U.S. 311, 315-316 (1964); Smith, Valentino & Smith, Inc. v. Superior Court, 17 Cal.3d 495, 496 (1981).(2)

Accordingly, California courts (such as this one) may properly exercise personal jurisdiction over defendant Amerimmune.

IV

Conclusion

For the reasons set forth above, plaintiffs respectfully request that this court issue an order providing for the following

1. Plaintiffs may serve defendant Amerimmune by personal1y delivering to the Secretary of State or to assistant or deputy secretary of the state two copies of the process together with two copies of this Court's order granting this application;

2. Plaintiffs may serve defendant API by personally delivering one copy of the process

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2 It is not relevant for jurisdictional purposes that the CLA identifies the Superior Court of the State of California for the County of Los Angeles, Central District. Plaintiffs' counsel has been unable to locate any California case law or statutory authority permitting a defendant to limit its consent to personal jurisdiction to a single court within the State of California.

and this Court's order granting this application to the Secretary of State or to assistant or deputy secretary of the state and by providing defendant API's last known mailing address of 920 Hampshire Road, Suite A 40, Westlake Village, California 91361 to the Secretary of State;

3. Service on defendants Anerunnybe and API shall be deemed complete on the lOth day after personal delivery of the process as described above.

Dated: July 7, 2004

THOMAS C. MUNDELL
MARSHALL L. BRUBACHER
MUNDELL, ODLUM & HAWS, LLP

By: /s/ Marshall L. Brubacher

Marshall L. Brubacher
Attorneys for Plaintiffs
Cytodyn, Onc, and Allen D. Allen

DECLARATION OF ALLEN D. ALLEN

I, Allen D. Allen, declare as follows:

1. I am currentl1y the President and Chief Executive Officer of Cytodyn, Inc. I have personal knowledge of each and every fact set forth in this declaration and if called as a witness could and would testify competently thereto under oath.

2. Cytodyn, Inc. is the successor in interest of Cytodyn of New Mexico, Inc. ("CNMI").

3. Prior to becoming the President and Chief Executive Officer of Cytodyn, Inc., I was the President and Chief Executive Officer of CNMI.

4. I was the President and Chief Executive Officer of CNMI at tje time that all of the relevant events occurred in this action.

5. I am currently a resident of California and have been since 1936.

6. In early 2000, I, on behalf of CNMI, negotiated with Rex Lewis of Amerimmune, Inc. the terms of the Conditional License Agreement ("CLA"} at issue in this action.

7. The aforementioned negotiations took place in Century City, California.

8. I signed the CLA at the offices of Amerimmune, Inc.'s attorneys in Century City, California.

9. A true and correct copy of the CLA is attached hereto as Exhibit "A."

10. Paragraph six of the CLA provides that both I and CNMI have the right to inspect the manufacturing process that Amerimmune uses, to manufacture products that use any of the

technology that CNMI licensed to Ammerimune.

11. After the parties executed the CLA, I learned that Amerimmune was manufacturing a drug using technology that CNMI had licensed to Amerimmune.

12. 1 talked to Pamela Kapustay at Amerimmune's offices which were then located at 21550 Oxnard Street, Suite 830, Woodland Hills, California and asked to inspect Amerimmune's manufacturing process.

13. Ms. Kapustay advised that she had spoken with Mr. Lewis and that, notwithstanding the terms of the CLA, Amerimmune would not allow me or any representative of CNMI to inspect Amerimmune's manufacturing process.

14. On August 22 , 2002, I, along with my daughter Corinne Allen , met with Mr. Lewis and Ms. Kapustay at Amerimmune's office located at 920 Hampshire Road, Suite A-40 in Westlake Village, California.

I declare nor penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on June 24, 2004 at Sherman Oaks, California.

/s/ Allen D. Allen
Allen D. Allen

DECLARATION OF MARSHALL L. BRUBACHER

I, Marshall L. Brubacher, declare as follows:

1. I am counsel of record for plaintiffs Cytodyn, Inc. and Allen D. Allen in this action. I have peronal knowledge of each and every fact set forth in this declaration and if called as a witness could and would testify competently thereto under oath.

2. Submitted herewith as Exhibit "B" is a true and correct copy of a printout of a webpage from the California Secretary of State's website that I printed out containing information provided by defendant Amerimmune, Inc. in its annual statement of information.

3. Submitted herewith as Exhibit "C" is a true and correct copy of the Nonservice Report that I received from Douglas Alan McDonald of Amstar Express detailing his unsuccessful efforts to serve Wellington Ewen, on behalf of Amerimmune, Inc., at 21550 Oxnard Street, Suite 830, Woodland Hills, California 91367.

4. Submitted herewith as Exhibit "D" is a true and correct copy of the Nonservice Report that I received from Douglas Alan McDonald of Amstar Express detailing his unsuccessful efforts to serve Wellington Ewen at 6781 Shearwater Lane, Malibu, California 90265.

5. I then learned, via an Internet search, that Mr. Ewen is currently working as the Chief Financial Officer for plaintiff Cytodyn, Inc. I telephoned Mr. Ewen to discuss serving a copy of the summons and complaint on him as Amerimmune's designated agent for service of process. Mr. Ewen said that he was surprised that he was still listed as the agent for service of process for Amerimmune because he has not had any contact with anyone from Amerimmune for many months and did not know how to contact Amerimmune; that he believed that it was a mistake that Amerimmune had not changed its designated agent for service of process; that he would not know what to do, if served with copies of the summons and complaint, and that he did not wish to accept service on behalf of Amerimmune.

6. On June 1, 2004, I telephoned the security desk for the building located at One Wilshire Boulevard in Los Angeles, California and spokes to the security guard on duty.

7. The security guard informed me that Amerimmune, Inc. was not a tenant in that building; that he had never heard of Amerimmune, Inc.; and that he did not have any forwarding

information for Amerimmune, Inc.

8. On June 1, 2004, I located a possible telephone number for Amerimmune Pharmaceuticals, Inc. ("API") of (714) 734-5000. I called that number and spoke to a man who identified himself as Larry Delaney. Mr. Delaney advised me that API had dissolved and that all of its officers had resigned.

9. I then telephoned the Colorado Secretary of State's office to inquire about API's corporate status and was informed by a representative from the Colorado Secretary of State's Office that API had been a Colorado corporation but that it had dissolved and that it had not designated a trustee.

10. On July 2, 2004, I searched the website of the California Secretary of State to determine whether API was registered to do business in California.

11. Submitted herewith as Exhibit "E" is a true and correct copy of a webpage from the California Secretary of State's website that I printed confirming that API is not registered to do business in California.

I declare under penalty of perjury that the foregoing, is true and correct and that this declaration is executed on July 7, 2004 at Westlake Village, California.

/s/ Marshall L. Brubacher

Marshall L. Brubacher

DECLARATION OF SUSAN H. LIPSON

I, Susan H. Lipson, declare as follows:

1. I have personal knowledge of each and every fact set forth herein and if called as a witness could and would testify competently thereto under oath.

2. On May 24, 2004, I attempted to serve a copy of the summons and complaint in this action on defendant Amerimmune Pharmaceuticals, Inc. ("API") by delivering copies of said documents to an officer of API at 920 Hampshire Road, Suite A-40, Westlake Village, California 91361.

3. I looked at the directory for the building at 920 Hampshire Road, Westlake Village, California and it did not list Amerimmune Pharmaceuticals, Inc. as a tenant.

4. I independently investigated the premises at 920 Hampshire Road, Westlake Village, California but was unable to locate an office for Amerimmune Pharmaceuticals, Inc. at that address.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration is executed on July 6, 2004 at Westlake Village, California.

/s/ Susan H. Lipson

Susan H. Lipson

EXHIBIT 10.5

MASTER AGREEMENT FOR PROFESSIONAL SERVICES

THIS MASTER AGREEMENT ("the Agreement"), which sets forth the terms and conditions of services to be provided by Symbion Research International, Inc., a California corporation with its principal place of business located at 29219 Canwood Street, Suite 100, Agoura Hills, CA 91301, hereinafter referred to as "Symbion". CytoDyn, Inc., a Colorado corporation, with its principal place of business located at 4236 Longridge Ave. #302, Studio City, CA 91604 hereinafter referred to as, "CytoDyn", is made effective as of the 1st day of October, 2003 by and between Symbion and CytoDyn.

NOW THEREFORE, for and in consideration of the mutual covenants and obligations by the parties hereto, it is agreed as follows:

1. Scope of Services

Symbion, pursuant to the pro visions of this Agreement, as retained by CytoDyn to perform consulting and contract research services in support of CytoDyn's interests in developing its product(s) for potential therapeutic, diagnostic, and/or other reasonable application(s).

2. Responsibility of CytoDyn

CytoDyn is responsible for determining whether the services to be provided meet its requirements. CytoDyn shall provide Symbion with all information and data required to complete the work requested. CytoDyn shall act in good faith to fulfill its responsibilities upen which timely completion of Symbion's tasks depends and. to provide reasonable and timely reviews of work as agreed by both Parties.

3. Responsibility of Symbion

Symbion agrees that the conduct of services performed hereunder shall be undertaken in full compliance with this Agreement, other written instructions from CytoDyn that have been agreed to by Symbion, and according to all applicable laws and regulations. Symbion shall not publish the results of the work conducted under this Agreement except by mutual` agreement with CytoDyn, but selected representative(s) of Symbion, with Symbion's agreement, may be included as co-author(s) on publication(s) by CytoDyn or its representatives or collaborators.

4. Financial Arrangements - Payment Schedule and Terms

Symbion will bill CytoDyn for consulting services at a rate of $175 per hour for associate director and director level staff and $225 per how for vice president and president/CEO level staff. These rates may be reviewed annually and renegotiated if necessary to cover increases in salaries/professionaI fees resulting from cost-of-living/periodic salary/fee increases.

An advance payment will be made to Symbion in the amount of $25,000; of this amount, $5,000 will serve as a retainer and $20,000 will be applied against billing for services executed under this Agreement. The final invoice(s) for services rendered and expenses incurred will reconcile the advance payment balance, if applicable with balance due from CytoDyn. Upon the termination of this Agreement; in the event that the sum of payments received by Symbion exceeds the cost of all services completed and associated expenses (due to advance payment), CytoDyn will be reimbursed the difference.

CytoDyn shall reimburse Symbion for all out of pocket expenses (including but not limited to airfare, ground transportation, hotel, meals, etc.) reasonably incurred by Symbion or any officers, employees, or agents of

Symbion in -connection with performing services under this Agreement and with the prior approval of CytoDyn. CytoDyn shall reimburse Symbion other reasonable expenses incurred which are incidental to the services performed hereunder and which have been approved in advance by CytoDyn. Travel costs and other expenses claimed must be itemized. The invoice must be substantiated by receipts for transportation and lodging ane. all other items for expenses amounting to more than $25.00 where receipts are normally issued. Payments for services and reimbursement for expenses incurred will be made within fifteen (15) days after receipt by CytoDyn of an invoice from Symbion.

For contract research services, as those performed for clinical trial conduct, Symbion will bill CytoDyn at rates that will be fully set forth in Project Agreement(s) which will be attached hereto; each such Project Agreement will be numbered individually and in sequence beginning with "No. 1" and will become a part of and subject to this Agreement. Each Project Agreement shall be agreed upon by both parties and shall set forth with specificity the following: (a) description of the project; (b) services and deliverables to be provided by Symbion; (c) the budget and projected timeline for completion of the Project; and (d) the payment schedule for such services and deliverables. Any changes or modifications to a Project Agreement shall be mutually agreed upon in writing, and attached as an amendment to the applicable Project Agreement and thereby incorporated herein. Symbion and CytoDyn shall sign each mutually accepted Project Agreement and any modification or change thereto. There shall be no minimum or maximum limit to the number of Project Agreements that the Parties may incorporate under this Agreement. In the event that the terms of Project Agreement conflict with the terms of this Agreement, the term of this Agreement shall govern unless the Project Agreement specifically references this Agreement and indicates that the terms of the Project Agreement shall govern. CytoDyn will be billed for services completed and associated expenses on either a biweekly or monthly schedule.

5. Term and Termination of Agreement

This Agreement shall start on the effective date set forth above and end when terminated in accordance with the following.

Either CytoDyn or Symbion may terminate this Agreement for any reason, by providing Sixty (60) days written notice to the other Party. In such event, a mutually agreeable schedule will be drawn up to facilitate the transition of responsibilities and, transfer of information between the Parries. In the event of termination, Symbion shall be entitled to payment for any portion of services completed and for expenses incurred up to the date termination is effective. Additionally, Symbion shall be reimbursed any and all properly incurred non-cancelable costs and expenses which cannot be mitigated through Symbion's reasonable efforts and fees reasonably incurred to close-out Symbion's participation in services undertaken for CytoDyn. Payment is due twenty (20) days after receipt by CytoDyn of an invoice from Symbion. In the event of termination, concurrent with final payment, Symbion will provide to CytoDyn all the work completed. In the event that the payments received by Symbion exceed the cost of the work completed, CytoDyn will be reimbursed the difference within twenty (20) days of the effective date of termination.

6. Default

Should either Party default in the performance of this Agreement or materially breach any of its provisions, the other party may terminate this Agreement if the breaching Party fails to cure the breach within thirty (30) days after receipt of written notice from the non-breaching Party, such notice specifying in writing the breach. For purposes of this section, material breach of the Agreement shall include, but not be limited to, failure to meet upon milestones, destruction of property, dishonesty, theft, or any actions which would tend to disparage the business reputation of eithier Party in the community.

7. Force Majeure

A Party shall not be liable for its delay in performance or failure to perform this Agreement if such delay or failure is due to an act of God or any other occurrence beyond the control of such Party, including, without limitation, fire, earthquake, explosion, disease, war, invasion, terrorism, government acts, weather, flood, civic unrest, emargos, or strikes, provided however that the Party whose performance is affected uses and continues to use commerically reasonable efforts to overcome such occurrence.

8. Symbion/CytoDyn Relationship

8.1. Independent Contractor

Symbion shall perform all of the work under this Agreement as an independent contractor. Neither Symbion or any officer, employee, or agent of Symbion is an employee, partner, representative, or joint venturer of, of with, CytoDyn, and nothing in this Agreement shall be construed to create such a relationship. Neither Party shall have the power or right to bind or obligate the other. Both Parties acknowledge that neither Symbion nor any officer, employee, or agent of Symbion is an employee of CytoDyn for state or federal tax purposes.

8.2 Advisory Capacity

Symbion will provide its best efforts and-opinions. CytoDyn is responsible for final decisions concerning the use of the work provided.

8.3 Work with Computers

Symbion and CytoDyn agree that during the term of this Agreement, or ay extension or renewal thereof, Symbion may contract for work with other persons, firms, or corporations engaged in the same or similar business as that of CytoDyn, provided that Symbion does not disclose or use the confidential information of CytoDyn.

8.4 Employment

During the tern of this Agreement and for one (1) year after thetermination of this Agreement, CytoDyn agrees that it will not hire, offer employment to, or otherwise employ or retain as an independent contractor any of Symbion's officers, employees, or agents without the prior written consent of Symbion.

8.5 Confidentiality

Each party agrees to treat any confidential or proprietary information provided by the disclosing party as the confidential and exclusive property of the disclosing party, provided that this information (a) is not already in the public domain, (b) is not previously known to the receiving party has evidenced by its written records (c) not consist of computer programming, statistical methods of analysis, or clinical research methods developed by Symbion in completing this Agreement or independently from any work performed under this Agreement; (d) not consist of information, inventions, discoveries, ideas, data, concepts, methods, know-how, and/or techniques developed before independently from any work performed under this Agreement (e) is not furnisdhed by a third party not bound to confdentiality with the disclosing pary, or: (f) is not required by law to be disclosed (but only to the of such requirement). The receiving party may disclose confidential and proprietary information of the disclosing party to its officers employees or agents, or to the disclosing party's officers, employees or authorized agents/representatives, as may be neccssary to

perform its obligations hereunder. To that end, the receiving party agrees to take all reasonable steps to ensure that confidential and proprietary information shall not be used by its officers, employees, and agents except on like terms of confidentiality as aforesaid, and that it shall be kept fully private and confidential by them. The terms in this Paragraph survive the the termination or expiration of this Agreement.

8.6 Ownership

All materials provided by CytoDyn are deemed to be owned by CytoDyn and shall be returned at the conclusion of the work covered by this Agreement of upon the request of CytoDyn. Except for Background Technology (defined below), all information and

inventions generated by Symbion under this Agreement for CytoDyn shall be owned by CytoDyn upon receipt of payment for said information and inventions in full by Symbion, except as specified following in this paragraph. However, nothing in this Agreement shall prohibit or limit Symbion's use of ideas, concepts, know-how, methods, code, techniques, skill, knowledge and experience that were used, developed or gained in connection with this Agreement or any Project Agreement, except with regard to any confidential information of CytoDyn. "Background technology" is defined as all computer programming methods, statistical mehtods of analysis, clinical research and other methodoloies, objects, subroutines and other programs, data and materials developed or licensed outside of this Agreerment and the Profject Agreement hereunder. Symbion shall retain all rights and interest to its confidential and proprietary information, including the Background Technology. All information by Symbion for CytoDyn under this Agreement shall be delivered to CytoDyn according to the terms of this Agreement at the completion of this Agreement, or upon CytoDyn's request, provided that Symbion is in receipt of full payment for services performed to generate said information. Symbion reserves the rights to information, inventions, discoveries, improvements, ideas, data, concepts, methods, know-how, and techniques propriety to Symbion or that have been developed by Symbion before the effective date of this Agreement.

8.7 Indemnification

CytoDyn shall indemnify and hold harmless Symbion and Symbion's officers, employees, and agents from and against any obligations, costs, claims, judgments, attorney's fees, and attachments arising from or in any way connected with the services rendered hereunder, including, but not limited to, loss of data or loss of revenue unless Symbion is guilty of gross negligence, reckless disregard of duties, or willful miscondent.

Symbion shall idemnify and hold harmless CytoDyn, its officer, employees, and agents from and against any an all liability, loss, costs, claims, judgments, and attorneys' fees on account of injuries (including death) to Symbion or any of Symbion's officers, employees, agents, or, loss ofor damage to their or Symbion's property arising out of or resulting in any manner from or occurring in connection with Symbion's performance of services hereunder unless caused by the gross negligence, reckless disregard of duties, or willful misconduct of CytoDyn.

9. Previous Agreement

This Agreement institutes the entire agreement between the Parites hereto relating to the subject matter hereof, an supersedes all previous oral, written, and all contermporaneous oral agreements or understandings between the Parties. This Agreement may not be modified or amended except by a written agreement signed by both Symbion and CytoDyn.

10. Severance

If any one or more provisions of this Agreenient shall be found to be illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or imparied thereby, provided the surviving Agreement materially compares with the original Parties' intent.

11. No Assignment

The rights and obligatins of each party under this Agreement shall bind and inure to the benefit of its succesors, if applicable. Neither party may assign this Agreement or any rights or duties hereunder to any other party without prior written consent of the other party.

12. Governing Law

Symbion and CytoDyn agree that any dispute arising under this Agreement or as a result of the relationship created by this Agreement shall be submitted to binding arbitration in Los Angeles, California. This Agreement shall be deemed entered into and performed by both Paries in the State of California and sha11 be construed and interpreted in accordance with the laws of the State of California

13. Headings

The heading of this Agreement are intended solely for convenience of reference and shall be given no effect in the construction interpretation of this Agreement.

14. Counterparts

This Agreement may be executed simultaneously in multiple counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by duly authorized representatives.

SYMBION	CYTODYN
Symbion Research International Inc.	CytoDyn, Inc.
By: /s/ Peggy C. Pence. Ph.D.	By: /s/ Allen D. Allen
Peggy C. Pence. Ph.D.	Allen D. Allen
Title: President & CEO	Title: Chairman, President & CEO
Date: February 24, 2004	Date: January 10, 2004

INDEPENDENT AUDITORS' CONSENT

Securities and Exchange Commission
Washington, DC

We consent to the use in this Registration Statement of CytoDyn, Inc. on Form SB-2, of our report dated August 20, 2004, appearing in the Prospectus and the Selected Financial Data, which is part of this Registration Statement.

We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ Cordovano and Honeck, P.C.
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Cordovano and Honeck, P.C.
Denver, Colorado
September 22, 2004