

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

Registration statement for specified transactions by certain issuers

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FILER

INNOVATIVE MEDICAL SERVICES

CIK: **1006028** | IRS No.: **330530289** | State of Incorporation: **CA** | Fiscal Year End: **0731**
Type: **S-3** | Act: **33** | File No.: **333-55758** | Film No.: **1548854**
SIC: **3841** Surgical & medical instruments & apparatus

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1725 GILLESPIE WAY
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EL CAJON CA 92020

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1725 GILLESPIE WAY
STE H
EL CAJON CA 92020
6195968600

SECURITIES AND EXCHANGE COMMISSION

FORM S-3 REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

INNOVATIVE MEDICAL SERVICES
(Exact Name of Registrant as Specified in its Charter)

CALIFORNIA (State of Incorporation)	3841 (Primary Standard Classification Code)	33-0530289 (IRS Employer ID No.)
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1725 Gillespie Way, El Cajon, California 92020
(619) 596 8600
(Address and Telephone Number of Registrant's Principal
Executive Offices and Principal Place of Business)

MICHAEL L. KRALL
1725 Gillespie Way, El Cajon, California 92020
(619) 596 8600
(Name, Address and Telephone Number of Agent for Service)

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed Maximum offering price per Share	Proposed Maximum aggregate offering price	Amount of registration fee
Common Stock of Selling Securities Holders	262,518	\$3.50	\$918,813	\$229.70

* Estimated Price in accordance with Rule 457(h) and based upon the last reported sale on the NASDAQ SmallCap Market on February 12, 2000.

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.

THE EXHIBIT INDEX APPEARS ON PAGE II-4 OF THE SEQUENTIALLY NUMBERED PAGES OF THIS REGISTRATION STATEMENT. THIS REGISTRATION STATEMENT, INCLUDING EXHIBITS, CONTAINS 28 PAGES.

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PROSPECTUS

262,518 shares of common stock offered by the selling securities holders.

Innovative Medical Services ("Innovative", "us", or "we") will not receive any of the proceeds from the sale of shares by the Selling securities holders.

The Company's Shares are traded on The Nasdaq SmallCap Market under the symbol PURE.

On February 12, 2001, the closing sale price of the common stock, as reported on the Nasdaq SmallCap Market, was \$3.50 per share.

THESE ARE SPECULATIVE SECURITIES, INVOLVE A HIGH DEGREE OF RISK AND SHOULD BE PURCHASED ONLY BY PERSONS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. (SEE "RISK FACTORS.")

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

The Selling securities holders may sell the shares of common stock described in

this prospectus in public or private transactions, on or off the Nasdaq SmallCap Market, at prevailing market prices, or at privately negotiated prices. The Selling securities holders may sell shares directly to purchasers or through brokers or dealers. Brokers or dealers may receive compensation in the form of discounts, concessions or commissions from the Selling securities holders. More information is provided in the section titled "Plan of Distribution."

The date of this Prospectus is February __, 2001

Where You Can Get More Information

We are subject to the reporting requirements of the Securities Exchange Act of 1934 and files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy these reports, proxy statements and other information at the SEC's public reference facilities at Judiciary Plaza, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for more information about the operation of the public reference facilities. SEC filings are also available at the SEC's Web site at <http://www.sec.gov>.

Our common stock is listed on the Nasdaq SmallCap Market, and you can read and inspect our filings at the offices of the National Association of Securities Dealers, Inc. at 1735 K Street, Washington, D.C. 20006.

The SEC allows us to "incorporate by reference" information that we file with them. Incorporation by reference allows us to disclose important information to you by referring you to those other documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We have filed a Registration Statement on Form S-3 under the Securities Act of 1933 with the SEC with respect to the common stock being offered pursuant to this prospectus. This prospectus omits certain information contained in the Registration Statement on Form S-3, as permitted by the SEC. Refer to the Registration Statement on Form S-3, including the exhibits, for further information about us and our common stock being offered pursuant to this prospectus. Statements in this prospectus regarding the provisions of certain documents filed with, or incorporated by reference in, the Registration Statement are not necessarily complete and each statement is qualified in all respects by that reference. Copies of all or any part of the Registration Statement, including the documents incorporated by reference or the exhibits, may be obtained upon payment of the prescribed rates at the offices of the SEC listed above.

Upon request, we will provide without charge to each person to whom a copy of this prospectus has been delivered a copy of any information that was incorporated by reference in the prospectus (other than exhibits to documents, unless the exhibits are specifically incorporated by reference into the prospectus). The Company will also provide upon request, without charge to each person to whom a copy of this prospectus has been delivered, a copy of all documents filed from time to time by us with the SEC pursuant to the Exchange Act of 1934. Requests for copies should be directed to Donna Singer Vice President, Innovative Medical Services, 1725 Gillespie Way, El Cajon, California 92020. Telephone requests may be directed to Ms. Singer at (619) 596 9600.

Certain Information We Are Incorporating By Reference

We incorporate by reference the documents listed below and any future filings we will make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

- Form 10-KSB Annual Report for the fiscal year ended July 31, 2000
- Definitive Proxy Statement filed on November 28, 2000
- Form 10-QSB Quarterly Report for the 3 months ended Oct. 31, 2000
- Exhibit 4.5 of S-3 Registration Statement, SEC File #333-36248 effective on May 17, 2000.
- All other documents filed by us after the date of this Prospectus under Section 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, (the Exchange Act) are incorporated by reference herein to be a part thereof from the date of filing of such documents.

You may request a copy of these filings at no cost, by writing, telephoning or e-mailing us at the following address:

Innovative Medical Services
1725 Gillespie Way, El Cajon, California 92020
e-mail: dsinger@imspure.com

This prospectus is part of a Registration Statement we filed with the SEC. You should rely only on the information incorporated by reference or provided in this prospectus. No one else is authorized to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of this document.

This prospectus contains and incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding The Company's drug development programs, clinical trials, receipt of regulatory approval, capital needs, collaborative agreements, intellectual property, expectations and intentions. Forward-looking statements may be identified or qualified by words such as "likely", "will", "suggests", "may", "would", "could", "should", "expects", "anticipates", "estimates", "plans", "projects", "believes", or similar expressions and variants of those words or expressions.

Forward-looking statements necessarily involve risks and uncertainties, and The Company's actual results could differ materially from those anticipated in the forward-looking statements due to a number of factors, including those set forth below under "Risk Factors" and elsewhere in this prospectus. The factors set forth below under "Risk Factors" and other cautionary statements made in this prospectus should be read and understood as being applicable to all related forward-looking statements wherever they appear in this prospectus. The forward-looking statements contained in this prospectus represent our judgment as of the date of this prospectus. The Company cautions readers not to place undue reliance on such statements. We undertake no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

Prospectus Summary

Innovative Medical Services ("Innovative", "us" or "we"), is based in El Cajon, California. We market unique water treatment and disinfecting solutions to a broad range of customers, including pharmaceutical, healthcare and consumer markets. We have expanded from our niche pharmacy market into other, broader markets with new products, including residential and commercial water filtration systems, health and wellness-related retail merchandise, e-commerce products, and silver ion bioscience technologies.

Our Fillmaster(R) pharmaceutical water purification, dispensing and measuring products include the Pharmapure(R) water purification system, the FMD 550 dispenser, the patented Fillmaster 1000e computerized dispenser and the patented Scanmaster(TM) bar code reader. We also market proprietary NSF certified replacement filters for the Fillmaster Systems.

Our "Pharmacist Recommended" Nutripure(R) line of water treatment and filtration systems includes the Nutripure 3000S-Series whole-house water softening systems, the Nutripure Elite reverse osmosis point-of-use systems, the Nutripure 2000 countertop water filtration system and the Nutripure Sport filtered sport bottle. We distribute our various Nutripure products in several ways, including retail sales, catalogue placement, business-to-business sales, internet promotion and in-home sales presentations.

Through our subsidiary Nutripure.com(R), we operate an e-commerce health supersite, which provides consumers a wide variety of vitamins, minerals, nutritional supplements, homeopathic remedies and natural products. In addition to merchandise, the supersite offers comprehensive health and wellness information in an easy-to-access, intuitive reference format.

We have obtained worldwide manufacturing and marketing rights for advanced silver ion technologies. Potential applications for these products include municipal and point-of-use/point-of-entry water treatment, food processing, personal disinfecting retail products, and commercial and retail hard surface disinfecting products. In addition, these technologies may prove to be revolutionary in the healthcare market for treatment of human and animal infections and wounds, and for disinfecting applications in hospitals, clinics, surgical centers and other medical and health related facilities.

In January 2001, we announced the acquisition of a safe pesticide technology. The product line, containing formulas for specific pests, provides excellent results against cockroaches, ants, palmetto bugs, silverfish, waterbugs, ticks, fleas, lice and garden pests. The EPA-approved RoachX will be the first product to launch from the line. RoachX is over 96% effective in three to four days with one application for indoor/outdoor eradication of cockroaches. We are marketing RoachX to retailers, commercial pest control companies and businesses in the United States and abroad.

SECURITIES OFFERED: 262,518 shares offered by the selling securities holders.

We are not offering any of the selling securities holders securities. These shares may be sold by the holders from time to time at prevailing market prices. We will not receive any of the proceeds from any sale of the selling securities holders shares. See "Selling securities holders".

USE OF PROCEEDS: The Company will not receive any of the proceeds from any sale of the selling securities holder shares.

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Risk Factors

These Securities involve a high degree of risk. Prospective purchasers should consider carefully, among other factors set forth in the Prospectus, the following:

1. We had a loss of \$1,745,430 in our most recent fiscal year and may continue to have losses in the future which may impair the value of an investment in the shares.

During the fiscal year ended July 31, 2000 we incurred a loss of \$1,745,430. This loss resulted primarily from declining sales of our Fillmaster(R) products

and significant expenditures on future products in anticipation of creating future revenue. If our revenue growth is slower than we anticipate or our operating expenses exceed our expectations, it may take an unforeseen period of time to achieve or sustain profitability or we may never achieve or sustain profitability. This may result in an adverse effect on the market value of an investment in the shares.

2. Our market for Fillmaster(R)Products is maturing and sales are declining.

Fillmaster sales have declined in the last 12 months. We believe the decline in Fillmaster revenues is due to multiple factors, including the fact that the market for pharmacy products is maturing in that there is a decreasing number of pharmacy chains that do not have water filtration products, and that we have sold systems to most major chains. The decline in Fillmaster sales may have an adverse effect upon our ability to not only achieve profitability but also to finance the development and marketing of new products. This may result in an adverse effect on the market value of an investment in the shares.

3. We are marketing new products and technology which have not been accepted into the Marketplace.

We have begun marketing several new antimicrobial silver ion technologies to industrial markets including healthcare, dental, veterinary and food processing as well as to consumer products markets as well as environmentally safe pesticides. Risks involved in introducing these new products include liability for product effectiveness and competition from existing or emerging sources. Many of these products must be approved by government agencies, and we may be delayed or prevented from selling the new products until such approvals are obtained. Even after approval, we will remain subject to changing governmental policies regulating antimicrobial products. We also intends to take these technologies to the international marketplace, and international business carries a great deal of risk with regard to foreign governments, banking and markets.

4. Our new products will be competing against well established and extremely large chemical and pharmaceutical companies.

Our silver ion products and environmentally safe pesticide products will be competing in markets dominated by extremely large, well financed and internationally recognized chemical and pharmaceutical companies. Our ability to compete will depend upon developing our brand recognition and distribution methods while are competitors already have well established brands and distribution and many times our financial ability. Focused competition by such chemical and pharmaceutical giants could substantial limit our potential market and ability to profit from these products.

5. The number of shares issuable upon exercise of stock options may adversely effect the market price for our shares.

We have adopted a 1996 Incentive Stock Option Plan, a 1996 Directors and

Officers Stock Option Plan, a 1998 Directors and Officers Stock Option Plan, a 2000 Directors and Officers Stock Option Plan, a Scientific Consultants and Advisors Stock Option Plan and an ETI H2O Corporation Stock Option Plan for our subsidiary which manufactures Axenhol. We have reserved 6,500,000 Common shares for issuance under these plans. As of the date of this Prospectus options to acquire over 4,200,000 shares have been awarded pursuant to these plans. The exercise of options and sale of underlying shares could have an adverse effect on the market for the Shares.

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Description Of Securities

Common Stock: We are authorized to issue up to 20,000,000 shares of its no par value common stock. Each share is entitled to one vote on matters submitted to a vote of the shareholders. There is no cumulative voting of the common stock. The common stock shares have no redemption provisions nor any preemptive rights. We are also authorized to issue up to 5,000,000 shares of preferred stock, the rights and preferences of which may be set from time to time prior to issuance by the Board of Directors.

Class A Warrants: Each Class A Warrant entitles the holder to acquire an additional common share for \$5.25 per common share. The Class A Warrants remain exercisable until August 8, 2001. The Class A Warrants are redeemable for \$0.05 per Class A Warrant provided the closing bid price for the common shares shall have averaged in excess of \$9.00 per share for any twenty (20) trading days within a period of thirty (30) consecutive business days ending within five (5) days of the date of a Notice of Redemption. The Class A Warrants expire on August 8, 2001.

Class Z Warrants: The Class Z Warrants entitle the holder to acquire one (1) common share at \$10 per share. The Class Z Warrants have been exercisable since August 8, 1998 and expire on August 8, 2001.

Private Placement Warrants: 593,196 Private Placement Warrants were sold in March, 2000 in a private placement of securities in March 2000. Each Private Placement Warrant entitles the holder to acquire an additional common share for \$5.25 per common share. The Private Placement Warrants remain exercisable until March 31, 2001. An additional 93,334 Private Placement Warrants were sold in January, 2001. These January 2001 Private Placement Warrants entitle the holder to acquire an additional share of common stock for \$4.00 per share on or before January 28, 2003.

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Selling Securities Holders

The following Selling securities holders whose shares have been registered for

public resale are set forth below:

SELLING SECURITIES HOLDER	SECURITIES OWNED AND OFFERED	%Before Offering	%After Offering
Genevieve Schiffmann	38,491	<1%	0
Professional Trust Mgmt	19,245	<1%	0
M.H. & Phyllis S. Singleton	9,623	<1%	0
Bavarian Capital Partners	9,623	<1%	0
Andrew DeVries III	18,868	<1%	0
Peter Rozok and Susan Rozak	20,000	<1%	0
Richard Strang	20,000	<1%	0
James Pritsiolas	30,000	<1%	0
William Shewalter	20,000	<1%	0
Solinvest Group, Ltd.	66,668	<1%	0
Donnie R. Cox	10,000	<1%	0

Professional Trust Management is a business trust of which Albert J. Wagner and J. Allen Mullins are the trustees.

Bavarian Capital Partners is an international business corporation organized under the laws of the Island of Nevis. Jessica Huggins is the trustee.

Solinvest Group, Ltd., is a corporation for which Mr. Alfred Peeper is the control person.

None of the Selling securities holders nor any of their affiliates have ever held any position, office, or other material relationship with Innovative Medical Services nor hold any additional shares of Innovative Medical Services.

Selling Securities Holders Plan Of Distribution

The Selling securities holders may sell or distribute its shares in transactions through underwriters, brokers, dealers or agents from time to time or through privately negotiated transactions, including in distributions to shareholders or partners or other persons affiliated with the Selling securities holder.

The distribution of the Selling securities holders shares may be effected from time to time in one or more transactions (which may involve crosses or block transactions) in the following types of transactions:

1. Over-the-counter market sales
2. Privately negotiated sales
3. By writing of options on the shares (whether such options are listed on an options exchange or otherwise).

Any of such transactions may be effected at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at negotiated prices or at fixed prices.

If the Selling securities holders effect such transactions by selling the shares to or through underwriters, brokers, dealers or agents, such underwriters, brokers, dealers or agents may receive compensation in the form of discounts,

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concessions or commissions from the Selling securities holders or commissions from purchasers of the shares for whom they may act as agent (which discounts, concessions or commissions as to particular underwriters, brokers, dealers or agents might be in excess of those customary in the types of transactions involved).

A Selling securities holder and any brokers, dealers or agents that participate in the distribution of the securities might be deemed to be underwriters, and any profit on the sale of the securities by them and any discounts, concessions or commissions received by any such underwriters, brokers, dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act.

A Selling securities holder may pledge the shares from time to time in connection with such Selling securities holder's financing arrangements. To the extent any such pledgees exercise their rights to foreclose on any such pledge, and sell the shares, such pledgees may be deemed underwriters with respect to such shares and sales by them may be effected under this Prospectus. The Company will not receive any of the proceeds from the sale of any of the shares by the Selling securities holder.

Under the Exchange Act and applicable rules and regulations promulgated thereunder, any person engaged in a distribution of any of the shares may not simultaneously engage in market making activities with respect to the shares for a period, depending upon certain circumstances, of either two days or nine days prior to the commencement of such distribution. In addition, and without limiting the foregoing, the Selling securities holders will be subject to applicable provisions of the Exchange Act and the rules and regulations promulgated thereunder, including without limitation Rules 10b-6 and 10b-7, which provisions may limit the timing of purchases and sales of any of the shares by the Selling securities holder.

Under the securities laws of certain states, the shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in certain states the shares may not be sold unless the shares have been registered or qualify for sale in such state or an exemption from registration or qualification is available and is complied with.

Transfer Agent: The Transfer Agent with respect to the Shares is Computershare Investor Services Inc., Lakewood, Colorado.

Legal Matters: The legality of the Shares offered will be passed on for the Company by Dennis Brovarone, Attorney at Law, Westminster, Colorado. Mr. Brovarone is also a Director of Innovative Medical Services.

Experts: The Financial Statements incorporated in this Prospectus by reference to the Annual Report on Form 10-KSB for the year ended July 31, 2000 have been so incorporated in reliance on the report of Miller and McCollom, Certified Public Accountants, given on the authority of said firm as experts in auditing and accounting.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS, AND IF GIVEN OR MADE SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SHARES UNDERLYING THE CLASS A WARRANTS OFFERED BY THIS PROSPECTUS OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SHARES AND THE CLASS A WARRANTS IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.

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UNTIL MARCH_____, 2001 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS EFFECTING TRANSACTIONS IN THE REGISTERED SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS.

PROSPECTUS

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The only statute, charter provision, bylaw, contract, or other arrangement under which any controlling persons, director or officer of the Registrant is insured or indemnified in any manner against any liability which he may incur in his capacity as such, is as follows:

- (a) The Company's Certificate of Incorporation provides the Company's Officers and Directors the full extent of the protection offered by the General Corporation Law of the State of California.
- (b) The General Corporation Law of the State of California provides that a corporation may include a provision eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director (i) for any breach of the directors' duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under the Corporation Law dealing with the liability of directors for unlawful payment of dividend or unlawful stock purchase or redemption, or (iv) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective.
- (c) The Company's Bylaws provide that the Company may indemnify its Officers and Directors to the full extent permitted by the General Corporation Law of the State of California.
- (d) The General Corporation Law of the State of California provides that a corporation may indemnify its directors and officers against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and incurred by them in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the rights of the corporation), by reason of being or having been directors or officers, if such directors or officers acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, they had no reasonable cause to believe their conduct was unlawful. The indemnification provided the General Corporation Law of the State of California is not exclusive of any other rights arising under any by-law, agreement, vote of stockholders or disinterested directors or otherwise.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The estimated expenses of the offering, all of which are to be borne by the Registrant, are as follows:

SEC Filing Fee	\$ 229.70
NASD Filing Fee	na
Printing Expenses	1,000
Accounting Fees and Expenses	0
Legal Fees and Expenses	25,000

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ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, the Registrant sold securities which were not registered under the Securities Act of 1933, as amended, as follows:

CERTAIN OPTION HOLDERS

NAME OF OPTIONEE	DATE	# OF UNDERLYING COMMON STOCK	CONSIDERATION
Glenn Hall	08/03/98	40,000	Services (1)
Minneapolis Company	11/16/98	300,000	Services (2)
Global Consultants Inc.	10/31/99	66,664	Services (3)

(1) 5 year options to acquire common stock at \$0.625 per share granted in consideration of services rendered in connection with the Company's obtaining a line of credit.

(2) Options to acquire common stock at \$1.1875 per share granted in consideration of investment banking services to be rendered. In February 1999, the Minneapolis Company surrendered the options in consideration of the Registrant's agreement to terminate the investment banking agreement.

(3) Options to acquire common stock at \$1.62 were granted in consideration of public relations services. The Consulting Agreement was terminated by the Company in July 2000 and the options expire on August 1, 2001.

JANUARY 1999 PRIVATE PLACEMENT

NAME OF PURCHASER	DATE	COMMON STOCK	TOTAL CONSIDERATION
Mitchell Kaminsky	01/29/99	117,766	175,000
Mathew Kanter	01/29/99	125,000	185,750

SEPTEMBER 1999 PRIVATE PLACEMENT

NAME OF PURCHASER	DATE	COMMON STOCK	TOTAL CONSIDERATION
Adler Corporation PYT, Ltd.	09/24/99	160,000	\$200,000

MARCH 2000 PRIVATE PLACEMENT

NAME OF PURCHASER	DATE	UNITS (1)	TOTAL CONSIDERATION
Richard Rogers & Julie Rogers	03/30/00	14,815	\$50,000
Mark Vittert & Carol Vittert	03/30/00	14,815	\$50,000
Glen Wegner	03/30/00	14,815	\$50,000
Orienstar Finance Limited	03/30/00	14,815	\$50,000
Stanford E. Bazilian	03/30/00	103,704	\$350,000
Sofisco Nominees Limited	03/30/00	296,297	\$1,000,000
Richard W. Strang Sr Trustee	03/30/00	14,815	\$50,000
Strang Mech. Emp. Ret. Trust			
William A. Shewalter	03/30/00	29,630	\$100,000
John W. Dowd III	03/30/00	14,815	\$50,000
Antonio C Alvarel	03/30/00	14,815	\$50,000
Roy Thung	03/30/00	14,815	\$50,000
Michael Rothaus	03/30/00	14,815	\$50,000
Billy W. Ward	03/30/00	14,815	\$50,000
James Pritsiolas	03/30/00	14,815	\$50,000
George Tagaris	03/30/00	14,815	\$50,000

(1) Each Unit consists of one share of common stock and one Warrant to acquire and additional share of common stock for \$5.25 on or before March 31, 2001.

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ETIH20, INC. SHARE EXCHANGE

NAME OF PURCHASER	DATE	# of Shares	TOTAL CONSIDERATION
Diana L. Korpall	10/16/00	1,000	Share Exchange
Manuel A. Carrillo	10/16/00	2,000	Share Exchange
Ana Lorena Carrillo Pacheco	10/16/00	1,000	Share Exchange
Joan M. Curtis,	10.16/00	240	Share Exchange
Lawrence A. Stranch	10/16/00	1,000	Share Exchange
Jackson Allen Tuggle & Lisbeth S. Tuggle	10/16/00	500	Share Exchange
Jerry K. Spivey	10/16/00	1,000	Share Exchange
Barbara L. Woolson	10/16/00	22,000	Share Exchange
Robert H. Cook, Jr.	10/16/00	1,500	Share Exchange
Brad Riggle	10/16/00	500	Share Exchange
Arthur Riley and Clarissa Riley	10/16/00	500	Share Exchange

The Shares issued were in exchange for 100% of the outstanding common stock ETI H2O, Inc., a Florida corporation.

OCTOBER 2000 PRIVATE PLACEMENT

NAME OF PURCHASER	DATE	COMMON STOCK	TOTAL CONSIDERATION
Genevieve Schiffmann	11/03/00	37,736	\$100,000
Professional Trust Mgmt	11/03/00	18,868	\$ 50,000
M.H. & Phyllis S. Singleton	11/03/00	9,434	\$ 25,000
Bavarian Capital Partners	11/03/00	9,434	\$ 25,000
Andrew DeVries III	11/20/00	18,868	\$ 50,000

JANUARY 2001 PRIVATE PLACEMENT

NAME OF PURCHASER	DATE	UNITS (1)	TOTAL CONSIDERATION
Peter Rozok and Susan Rozak	01/24/01	10,000	\$ 30,000
Richard Strang	01/22/01	10,000	\$ 30,000
James Pritsiolas	01/22/01	15,000	\$ 45,000
William Shewalter	01/22/01	10,000	\$ 30,000
Solinvest Group Ltd.	01/30/01	33,334	\$100,002
Donnie R. Cox	01/30/01	5,000	\$ 15,000

(1) Each Unit consists of one share of common stock and one Warrant to acquire and additional share of common stock for \$4.00 on or before January 28, 2002.

With respect to the above sales, the Company relied on Section 4(2) of the Securities Act of 1933, as amended and Rule 505 of Regulation D for the March 2000 Private Placement. No advertising or general solicitation was employed in offering the securities. The securities were offered to accredited investors or existing shareholders of the Company who were provided all material information regarding the private placements and all of the Company's reports filed with the Securities and Exchange Commission to date. The securities were offered for investment only and not for the purpose of resale or distribution, and the transfer thereof was appropriately restricted by the Company.

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ITEM 27. EXHIBITS.

The following Exhibits are filed as part of this Registration Statement pursuant to Item 601 of Regulation S-B:

- *3.1 -- Articles of Incorporation, Articles of Amendment and Bylaws
- *4.1 -- Form of Class A Warrant

- *4.2 -- Form of Class Z Warrant
- *4.3 -- Form of Common Stock Certificate
- *4.4 -- Warrant Agreement
- **4.5 -- March 2000 Warrant
- 4.6 -- January 2001 Warrant
- 5.1 -- Opinion of Dennis Brovarone, Attorney at Law,
- *10.1 -- Employment Contract/Michael L. Krall
- 23.1 -- Consent of Dennis Brovarone, Attorney at Law (see opinion)
- 23.2 -- Consent of Steven Holland, Certified Public Accountant
- 23.3 -- Consent of Miller and McCollom, Certified Public Accountants.

* Incorporated by reference from Form SB-2Registration SEC File # 333-00434 effective August 8, 1996

** Incorporated by reference from S-3 Registration Statement, SEC File #333-36248 effective on May 17, 2000.

ITEM 28. UNDERTAKINGS.

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

The undersigned Registrant hereby undertakes:

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

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

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of

distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

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

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

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SIGNATURES

In accordance with the requirements of the Securities Act of 1933 as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-3 and authorized this Registration Statement to be signed on its behalf by the undersigned thereunto duly authorized, in the City of El Cajon, State of California on February 12, 2001.

INNOVATIVE MEDICAL SERVICES

By: /s/ MICHAEL L. KRALL

Michael L. Krall
Executive Officer

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

SIGNATURE	TITLE	DATE
/s/ MICHAEL L. KRALL ----- Michael L. Krall	President, Chief Executive Officer and Director	February 12, 2001
/s/ GARY BROWNELL ----- Gary Brownell	Chief Financial Officer, Director	February 12, 2001
/s/ EUGENE PEISER, PD ----- Eugene Peiser, PD	Director	February 12, 2001

/s/ PATRICK GALUSKA	Director	February 12, 2001

Patrick Galuska		
/s/ DENNIS BROVARONE	Director	February 12, 2001

Dennis Brovarone		
/s/ DONNA SINGER	Director	February 12, 2001

Donna Singer		

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EXHIBIT INDEX

SEQUENTIALLY

EXHIBIT NUMBERED

NUMBER DESCRIPTION PAGE

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*4.2	--	Form of Class Z Warrant
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* Incorporated by reference from Form SB-2 Registration SEC File # 333-00434 effective August 8, 1996

** Incorporated by reference from S-3 Registration Statement, SEC File #333-36248 effective on May 17, 2000.

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Warrant

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER EITHER THE SECURITIES ACT OF 1933 (THE "ACT") OR APPLICABLE STATE SECURITIES LAWS (THE "STATE ACTS") AND SHALL NOT BE SOLD, PLEDGED, HYPOTHECATED, DONATED, OR OTHERWISE TRANSFERRED (WHETHER OR NOT FOR CONSIDERATION) BY THE HOLDER EXCEPT UPON THE ISSUANCE TO THE COMPANY OF A FAVORABLE OPINION OF COUNSEL OR SUBMISSION TO THE COMPANY OF SUCH EVIDENCE AS MAY BE SATISFACTORY TO COUNSEL TO THE COMPANY, IN EACH SUCH CASE, TO THE EFFECT THAT ANY SUCH TRANSFER SHALL NOT BE IN VIOLATION OF THE ACT AND THE STATE ACTS.

WARRANT TO PURCHASE _____ (_____) SHARES OF COMMON STOCK

INNOVATIVE MEDICAL SERVICES
(a California Corporation)
Not Transferable or Exercisable Except
upon Conditions Herein Specified
Void after 5:00 P.M.,
Pacific Standard Time, on the January 28, 2002

Innovative Medical Services, a California corporation (the "Company") hereby certifies that, _____, as the registered holder hereof (the "Holder"), for value received, is entitled to purchase from the Company the number of fully paid and non-assessable shares of Common Stock of the Company (the "Shares"), stated above at the purchase price of \$4.00 per Share (the "Exercise Price") (the number of Shares and Exercise Price being subject to adjustment as hereinafter provided) upon the terms and conditions herein provided.

1. Exercise of Warrants.

(a) Subject to subsection (b) of this Section 1 and Section 11 below, upon presentation and surrender of this Warrant Certificate, with the attached Purchase Form duly executed, at the principal office of the Company at 1725 Gillespie Way, El Cajon, California 92020 or at such other place as the Company may designate by notice to the Holder hereof, together with a certified or bank cashier's check payable to the order of the Company in the amount of the Exercise Price times the number of Shares being purchased, the Company shall deliver to the Holder hereof, as promptly as practicable, certificates representing the Shares being purchased. This Warrant may be exercised in whole or in part; and, in case of exercise hereof in part only, the Company, upon surrender hereof, will deliver to the Holder a new Warrant Certificate or Warrant Certificates of like tenor entitling the Holder to purchase the number of Shares as to which this Warrant has not been exercised. (b) This Warrant may be exercised in whole or in part at any time prior to 5:00 o'clock P.M., Pacific Standard Time, on January 28, 2003.

2. Exchange and Transfer of Warrant.

This Warrant (a) at any time prior to the exercise hereof, upon presentation and surrender to the Company, may be exchanged, alone or with other Warrants of like tenor registered in the name of the Holder, for another Warrant or other Warrants of like tenor in the name of such Holder exercisable for the same aggregate number of Shares as the Warrant or Warrants surrendered, (b) may not be sold, transferred, hypothecated, or assigned, in whole or in part, without the prior written consent of the Company, which shall not be unreasonably withheld.

3. Rights and Obligations of Warrant Holder.

(a) The Holder of this Warrant Certificate shall not, by virtue hereof, be entitled to any rights of a stockholder in the Company, either at law or in equity; provided, however, in the event that any certificate representing the Shares is issued to the Holder hereof upon exercise of this Warrant, such Holder shall, for all purposes, be deemed to have become the holder of record of such Shares on the date on which this Warrant Certificate, together with a duly executed Purchase Form, was surrendered and payment of the Exercise Price was made, irrespective of the date of delivery of such Share certificate. The rights of the Holder of this Warrant are limited to those expressed herein and the Holder of this Warrant, by its acceptance hereof, consents to and agrees to be bound by and to comply with all the provisions of this Warrant Certificate, including, without limitation, all the obligations imposed upon the Holder hereof by Sections 2 and 5 hereof. In addition, the Holder of this Warrant Certificate, by accepting the same, agrees that the Company may deem and treat the person in whose name this Warrant Certificate is registered on the books of the Company maintained for such purpose as the absolute, true and lawful owner for all purposes whatsoever, notwithstanding any notation of ownership or other writing thereon, and the Company shall not be affected by any notice to the contrary.

(b) No Holder of this Warrant Certificate, as such, shall be entitled to vote or receive distributions or to be deemed the holder of Shares for any purpose, nor shall anything contained in this Warrant Certificate be construed to confer upon any Holder of this Warrant Certificate, as such, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any action by the Company, whether upon any recapitalization, issue of stock, reclassification of stock, merger, conveyance or otherwise, receive notice of meetings or other action affecting stockholders (except for notices provided for herein), receive distributions, subscription rights, or otherwise, until this Warrant shall have been exercised and the Shares purchasable upon the exercise thereof shall have become deliverable as provided herein; provided, however, that any such exercise on any date when the stock transfer books of the Company shall be closed shall constitute the person or persons in whose name or names the certificate or certificates for those Shares are to be issued as the record holder or holders thereof for all purposes at the opening of business on the next succeeding day on which such stock transfer books are open, and the Warrant surrendered shall not be deemed to have been exercised, in whole or in

part as the case may be, until the next succeeding day on which stock transfer books are open for the purpose of determining entitlement to distributions on the Company's common stock.

4. Shares Underlying Warrants.

The Company covenants and agrees that all Shares delivered upon exercise of this Warrant shall, upon delivery and payment therefor, be duly and validly authorized and issued, fully-paid and non-assessable, and free from all stamp taxes, liens, and charges with respect to the purchase thereof. In addition, the Company agrees at all times to reserve and keep available an authorized number of Shares sufficient to permit the exercise in full of this Warrant.

5. Disposition of Warrants or Shares.

(a) The holder of this Warrant Certificate and any transferee hereof or of the Shares issuable upon the exercise of the Warrant Certificate, by their acceptance hereof, hereby understand and agree that the Warrant, and the Shares issuable upon the exercise hereof, have not been registered under either the Securities Act of 1933 (the "Act") or applicable state securities laws (the "State Acts") and shall not be sold, pledged, hypothecated, donated, or otherwise transferred (whether or not for consideration) except upon the issuance to the Company of a favorable opinion of counsel or submission to the Company of such evidence as may be satisfactory to counsel to the Company, in each such case, to the effect that any such transfer shall not be in violation of the Act and the State Acts. It shall be a condition to the transfer of this Warrant that any transferee thereof deliver to the Company its written agreement to accept and be bound by all of the terms and conditions of this Warrant Certificate.

(b) Unless and until there is an effective registration statement filed with the U.S. Securities and Exchange Commission for the Common Stock underlying the Warrant, the stock certificates of the Company that will evidence the shares of Common Stock with respect to which this Warrant may be exercisable will be imprinted with conspicuous legend in substantially the following form:

"The securities represented by this certificate have not been registered under either the Securities Act of 1933 (the "Act") or applicable state securities laws (the "State Acts") and shall not be sold, pledged, hypothecated, donated or otherwise transferred (whether or not for consideration) by the holder except upon the issuance to the Company of a favorable opinion of its counsel or submission to the company of such other evidence as may be satisfactory to counsel of the Company, in each such case, to the effect that any such transfer shall not be in violation of the Act and the State Acts."

The Company has agreed to register the Common Stock with respect to which this Warrant may be exercisable for distribution in accordance with the provisions of the Act pursuant to a registration statement to be filed with the U.S. Securities and Exchange Commission on or before June 30, 2001.

6. Adjustments.

The number of Shares purchasable upon the exercise of each Warrant is subject to adjustment from time to time upon the occurrence of any of the events enumerated below.

(a) In case the Company shall: (i) pay a dividend in Shares, (ii) subdivide its outstanding Shares into a greater number of Shares, (iii) combine its outstanding Shares into a smaller number of Shares, or (iv) issue, by reclassification of its Shares, any shares of its capital stock, the amount of Shares purchasable upon the exercise of each Warrant immediately prior thereto shall be adjusted so that the Holder shall be entitled to receive upon exercise of the Warrant that number of Shares which such Holder would have owned or would have been entitled to receive after the happening of such event had such Holder exercised the Warrant immediately prior to the record date, in the case of such dividend, or the effective date, in the case of any such subdivision, combination or reclassification. An adjustment made pursuant to this subsection (a) shall be made whenever any of such events shall occur, but shall become effective retroactively after such record date or such effective date, as the case may be, as to Warrants exercised between such record date or effective date and the date of happening of any such event.

(b) In case the Company shall issue rights or warrants to all holders of its Shares entitling them to subscribe for or to purchase Shares at a price per Share which, when added to the amount of consideration received or receivable by the Company for such rights or warrants, is less than the Current Market Price (as hereinafter defined) per Share at the record date, the number of Shares purchasable upon the exercise of this Warrant shall be adjusted so that thereafter, until further adjusted, each Warrant shall entitle the Holder to purchase that number of Shares determined by multiplying the number of Shares purchasable hereunder by a fraction, the numerator of which shall be the number of additional Shares issuable upon the exercise of such rights or warrants, and the denominator of which shall be the number of Shares which an amount equal to the sum of (i) the aggregate exercise price of the total number of Shares issuable upon the exercise of such rights or warrants, and (ii) the aggregate amount of consideration, if any, received, or receivable by the Company for such rights or warrants, would purchase at such Current Market Price. Such adjustment shall be made whenever such rights or warrants are issued, but shall also be effective retroactively as to Warrants exercised between the record date for the determination of stockholders entitled to receive such rights or warrants and the date such rights or warrants are issued.

(c) For the purpose of any computation under subsection (b) above, the Current Market Price per Share at any date shall be: (i) if the Shares are listed on any national securities exchange, the average of the daily closing prices for the 15 consecutive business days commencing 20 business days before the day in question (the "Trading Period"); (ii) if the Shares are not listed on any national securities exchange but are quoted on the Nasdaq SmallCap Market, the average of the high and low bids as reported by NASDAQ for the Trading

Period; and (iii) if the Shares are neither listed on any national securities exchange nor quoted on NASDAQ, the higher of (x) the exercise price then in effect, or (y) the tangible book value per Share as of the end of the Company's immediately preceding fiscal year.

(d) No adjustment shall be required unless such adjustment would require an increase or decrease of at least 1% in the number of Shares purchasable hereunder; provided, however, that any adjustments which by reason of this subsection (d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 6 shall be made to the nearest one-hundredth of a Share.

(e) No adjustment shall be made in any of the following cases:

(i) Upon the grant or exercise of stock options now or hereafter granted, or under any employee stock option or stock purchase plan now or hereafter authorized, to the extent that the aggregate of the number of Shares which may be purchased under such options and the number of Shares issued under such employee stock purchase plan is less than or equal to 10% of the number of Shares outstanding on January 1 of the year of the grant or exercise;

(ii) Shares issued upon the conversion of any of the Company's convertible or exchangeable securities;

(iii) Shares issued in connection with the acquisition by the Company or by any subsidiary of the Company of 80% or more of the assets of another corporation or entity, and Shares issued in connection with the acquisition by the Company or by any subsidiary of the Company of 80% or more of the voting shares of another corporation (including Shares issued in connection with such acquisition of voting shares of such other corporation subsequent to the acquisition of an aggregate of 80% of such voting shares), Shares issued in a merger of the Company or a subsidiary of the Company with another corporation in which the Company or the Company's subsidiary is the surviving corporation, and Shares issued upon the conversion of other securities issued in connection with any such acquisition or in any such merger; and

(iv) Shares issued pursuant to this Warrant and pursuant to all stock options and warrants outstanding on the date hereof.

(f) Notice to Warrant Holders of Adjustment. Whenever the number of Shares purchasable hereunder is adjusted as herein provided, the Company shall cause to be mailed to the Holder in accordance with the provisions of this Section 6 a notice (i) stating that the number of Shares purchasable upon exercise of this Warrant have been adjusted, (ii) setting forth the adjusted number of Shares purchasable upon the exercise of a Warrant, and (iii) showing in reasonable detail the computations and the facts, including the amount of consideration received or deemed to have been received by the Company, upon which such adjustments are based.

7. Fractional Shares.

The Company shall not be required to issue any fraction of a Share upon the exercise of Warrants. If more than one Warrant shall be surrendered for exercise at one time by the same Holder, the number of full Shares which shall be issuable upon exercise thereof shall be computed on the basis of the aggregate number of Shares with respect to which this Warrant is exercised. If any fractional interest in a Share shall be deliverable upon the exercise of this Warrant, the Company shall make an adjustment therefor in cash equal to such fraction multiplied by the Current Market Price of the Shares on the business day next preceding the day of exercise.

8. Loss or Destruction.

Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant Certificate and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement or bond satisfactory in form, substance and amount to the Company or, in the case of any such mutilation, upon surrender and cancellation of this Warrant Certificate, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant Certificate of like tenor.

9. Survival.

The various rights and obligations of the Holder hereof as set forth herein shall survive the exercise of the Warrants represented hereby and the surrender of this Warrant Certificate.

10. Notices.

Whenever any notice, payment of any purchase price, or other communication is required to be given or delivered under the terms of this Warrant, it shall be in writing and delivered by hand delivery or United States registered or certified mail, return receipt requested, postage prepaid, and will be deemed to have been given or delivered on the date such notice, purchase price or other communication is so delivered or posted, as the case may be; and, if to the Company, it will be addressed to the address specified in Section 1 hereof, and if to the Holder, it will be addressed to the registered Holder at its, his or her address as it appears on the books of the Company.

11. Redemption of Warrants

Provided that there is an effective registration statement for the Shares and the Warrant Shares, this Warrant may be redeemed by the Company upon thirty days written notice to the Holder for \$0.10 per Warrant Share provided that the closing sale price for the Company's common stock as reported by its trading market has been not less than \$7.00 per share for ten consecutive trading days. Unless this Warrant has been exercised pursuant to Section 1 on or before the thirtieth day following the date of the written notice, this Warrant shall be

null and void save only the Company's obligation to pay the redemption amount.

INNOVATIVE MEDICAL SERVICES

By:

Michael L. Krall, President
January 22, 2001

PURCHASE FORM

DATE:

TO: INNOVATIVE MEDICAL SERVICES

The undersigned hereby irrevocably elects to exercise the attached Warrant Certificate to the extent of ____ shares of the Common Stock, of INNOVATIVE MEDICAL SERVICES and hereby makes payment of \$_____ (\$4.00 x # OF WARRANTS EXERCISED) in accordance with the provisions of Section 1 of the Warrant Certificate in payment of the purchase price thereof.

INSTRUCTIONS FOR REGISTRATION OF STOCK

Name:

(Please typewrite or print in block letters)

Address:

By:

Signature of Record Holder

DENNIS BROVARONE
ATTORNEY AND COUNSELOR AT LAW
18 Mountain Laurel Drive
Littleton, Colorado 80127
phone: 303 466 4092 / fax: 303 466 4826

February 15, 2001

Board of Directors
Innovative Medical Services

Re: Registration Statement on Form S-3

Gentlemen:

You have requested my opinion as to the legality of the issuance by Innovative Medical Services, (the "Corporation") of 262,518 shares of Common Stock being offered by a certain selling securities holder (the "Shares"). The Shares are the subject of a Registration Statement on Form S-3 (the "Registration Statement") to be filed on or before February 16, 2001.

Pursuant to your request I have reviewed and examined: (1). The Articles of Incorporation of the Corporation, as amended (the "Articles"); (2). The Bylaws of the Corporation, as certified by the Secretary of the Corporation; (3). The minute book of the Corporation; (4). A copy of certain resolutions of the Board of Directors of the Corporation; (5). The Registration Statement; (6) and (7). Such other matters as I have deemed relevant in order to form my opinion.

Based upon the foregoing, and subject to the qualifications set forth below, I am of the opinion that the Shares, have been duly authorized, legally issued, fully paid and non-assessable.

This opinion is furnished by me as counsel to the Corporation and is solely for your benefit. Neither this opinion nor copies hereof may be relied upon by, delivered to, or quoted in whole or in part to any governmental agency or other person without our prior written consent. My opinion is subject to the qualification that no opinion is expressed herein as to the application of state securities or Blue Sky laws.

Notwithstanding the above, I consent to the use of this opinion in the Registration Statement. In giving my consent, I do not admit that I come without the category of persons whose consent is required under Section 7 of the Securities and Exchange Commission promulgated thereunder.

Very truly yours,

/s/ DENNIS BROVARONE

Dennis Brovarone

STEVEN HOLLAND, CPA
3914 MURPHY CANYON RD., STE. A126
SAN DIEGO, CA. 92123
(619) 279-1640

I have prepared the attached audited financial statements for Innovative Medical Services for the fiscal years ended July 31, 1999 contained in the Company's annual report on Form 10-ksb for the fiscal year ended July 31, 1998 and do hereby consent to their inclusion with the company's intended registration statement on Form S-3.

/s/STEVEN HOLLAND

Steven Holland, CPA

February 15, 2001

CONSENT OF MILLER AND McCOLLOM,
CERTIFIED PUBLIC ACCOUNTANTS

MILLER AND McCOLLOM
CERTIFIED PUBLIC ACCOUNTANTS
7400 WEST 14TH AVENUE, SUITE 10
LAKEWOOD, COLORADO 80215

TELEPHONE (303) 237-3077
FACSIMILE (303) 232-4856
E-MAIL: rmccollom@ibm.net

We hereby consent to the use incorporated by reference in this Form S-3 of our report dated September 28, 2000, relating to the consolidated financial statements of Innovative Medical Services and consolidated subsidiaries included in the annual report Form 10-KSB for the fiscal year ended July 31, 2000.

/s/MILLER AND McCOLLOM

Miller and McCollom

February 15, 2001