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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

November 10, 2006

Lifeline Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Colorado

000-30489

90-0224471

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

6400 S. Fiddler's Green Circle, Suite 1970,  
Greenwood Village, Colorado

80111

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

720-488-1711

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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#### **Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.**

On November 10, 2006, the Board of Directors (the "Board") of Lifeline Therapeutics, Inc. (the "Company") concluded that the Company will restate the financial statements as of and for the fiscal years ended June 30, 2006 and 2005 that are included in its annual report on Form 10-KSB for the fiscal year ended June 30, 2006, and that the financial statements should no longer be relied upon for the reasons set forth below. The Board's conclusion was in response to comments raised by the Staff of the Securities and Exchange Commission ("SEC") concerning the registration statement filed on Form SB-2 for the Company, its valuation of goodwill and intangible assets on its financial statements, and to ensure that its financial reporting remains in full compliance with Generally Accepted Accounting Principles.

In March 2005, the Company purchased the remaining minority interest of the Company's 81% owned subsidiary, Lifeline Nutraceuticals Corporation ("LNC"), in exchange for 1,000,000 shares of its Series A Common Stock. The closing price of the Company's Series A Common Stock was \$9.00 on the date of the exchange. At the time of that transaction, the Company applied a marketability discount to arrive at an estimated fair value of \$5.31 per share, or \$5,310,000, for the minority interest. The acquisition of the minority interest was accounted for utilizing the purchase method of accounting and the entire purchase price was allocated to goodwill.

The Company valued the shares in the transaction at \$5.31 per share; however, a concurrent private placement at \$2.00 per share provides a more appropriate determination of value. As the Company's motivation in purchasing the minority interest in its subsidiary was to acquire all of LNC's intellectual property, the allocation of the purchase price should be entirely to intellectual property, i.e., patents. Accordingly, goodwill should have been valued at zero.

On November 10, 2006, the Company's Board, in conjunction with the Company's independent registered accountants, concluded that, due to the concurrent private placement of the Company's Series A Common Stock at \$2.00 per share at about the time of the acquisition of the minority interest in LNC, the acquisition cost of the minority interest should be recorded at \$2,000,000 (1,000,000 shares at \$2.00 per share). In addition, since the Company's desire to purchase the minority interest in its subsidiary was to gain control over its intellectual property, the purchase price for the acquisition should be allocated entirely to intellectual property.

As a result, the Company's balance sheets as of June 30, 2006 and 2005 contained in the Form 10-KSB for the fiscal year ended June 30, 2006 will be restated to reflect the Company's reduction of goodwill from \$5,310,000 to \$0, an increase of Patent Costs by \$2,000,000, and a reduction of additional paid-in capital by \$3,310,000.

For the years ended June 30, 2006 and 2005, the restatement is limited to disclose the valuation and allocation of goodwill and Patent Costs and restate the additional paid-in capital in connection with the purchase of a minority interest in the Company's subsidiary during the fiscal year ended June 30, 2005. The Company believes that previously reported amounts in the Condensed Consolidated Statements of Operations, including net sales, gross profit, operating income, net income / (loss) per share, should remain unchanged. The Company believes that no adjustment to the income statement is required for any reporting period, nor will the adjustment result in cash expenditures by the Company. In addition, the Company believes that this restatement process will not have an adverse effect on its cash flows or liquidity.

Beginning with the first quarter of fiscal year 2007, the Company will report the \$2,000,000 purchase price allocation entirely to intellectual property and not to goodwill. Subsequent to filing the Form 10-QSB for the Company's first quarter ended September 30, 2006, the Company will restate its Form 10-KSB for the fiscal year ended June 30, 2006 and corresponding balance sheet as of June 30, 2006 and 2005, and Statements of Stockholders' Equity and Comprehensive Income for the periods then ended as soon as practicable.

The Company issued a press release related to these matters, entitled "Lifeline Therapeutics, Inc. to Restate Financials", a copy of which is filed as Exhibit 99.1 hereto.

#### **Item 9.01 Financial Statements and Exhibits.**

Press release dated November 13, 2006, entitled "Lifeline Therapeutics, Inc. to Restate Financials to Reflect Investment in Patents and Other Items".

This current report on Form 8-K contains statements that are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, applicable common law and Securities and Exchange Commission rules. The Company uses the words "anticipate," "believe," "could," "should," "estimate," "expect," "intend," "may," "predict," "project," "plan," "target" and similar terms and phrases, including references to assumptions, to identify forward-looking statements. These forward-looking statements are based on the Company's current expectations and beliefs concerning future events affecting the Company and involve known and unknown risks and uncertainties that may cause the Company's actual results or outcomes to be materially different from those anticipated and discussed herein. These risks and uncertainties are difficult to predict accurately and may be beyond the control of the Company. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: unanticipated delays

in completing the process of our restatement of historical financial statements and related audits; the Company's ability to successfully expand its operations and manage its future growth; competition in the dietary supplement market; and the Company's dependence on a limited number of significant customers and a single product for revenue. These and other additional risk factors and uncertainties are discussed in greater detail in the Company's Annual Report on Form 10-KSB under the caption "Risk Factors", and in other documents filed the Company from time to time with the Securities and Exchange Commission. Forward-looking statements made by the Company in this news release or elsewhere speak only as of the date made. New uncertainties and risks come up from time to time, and it is impossible for the Company to predict these events or how they may affect the Company. The Company has no duty to, and does not intend to, update or revise the forward-looking statements in this news release after the date it is issued. In light of these risks and uncertainties, investors should keep in mind that the results, events or developments disclosed in any forward-looking statement made in this news release may not occur.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Lifeline Therapeutics, Inc.

November 13, 2006

By: *Gerald J. Houston*

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*Name: Gerald J. Houston*  
*Title: Chief Financial Officer*

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Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| 99.1               | Press release dated November 13, 2006, entitled "Lifeline Therapeutics, Inc. to Restate Financials to Reflect Investment in Patents and Other Items". |

November 13, 2006 OTCBB: LFLT

**LIFELINE THERAPEUTICS, INC. TO RESTATE FINANCIALS  
TO REFLECT INVESTMENT IN PATENTS AND OTHER ITEMS**

DENVER, Colorado – Lifeline Therapeutics, Inc. (OTCBB: LFLT), maker of Protandim<sup>®</sup>, today announced that it intends to restate certain of its previously filed financial statements to reflect changes to investments in patents and goodwill. As previously reported in the Company's earnings announcement of August 22, 2006 and Form 10-KSB for the fiscal year ended June 30, 2006 filed September 27, 2006, the Company has been in discussions with the Securities and Exchange Commission Staff on resolution of accounting issues in connection with the Staff's review of the Company's pending registration statement on Form SB-2. As a result of these discussions, the Company and its auditors have determined that it is appropriate to restate the Company's financial statements for the fiscal years ended June 30, 2006 and 2005, that are included in the Form 10-KSB, in connection with the Company's acquisition of a 19% ownership position in Lifeline Nutraceuticals Corporation (LNC) in March 2005 in the following respects:

- A. The acquisition cost of 1,000,000 shares of the Company's Series A Common Stock, previously valued at \$5,310,000, should be recorded at \$2,000,000.
- B. The purpose of the acquisition being to secure control of the Intellectual Property underlying Protandim<sup>®</sup>, the acquisition cost should be recorded as Patent Costs investment instead of Goodwill.
- C. The Goodwill resulting from the transaction should be recorded at \$0.

These non-cash adjustments will be reflected in the Company's Form 10-QSB filing for the first quarter of fiscal 2007 due November 14, 2006, as well as an amended Form 10-KSB for the fiscal year ended June 30, 2006.

"Lifeline's goal since my arrival in January 2006 has been to clarify and resolve points at issue with the Securities and Exchange Commission and to cause the Form SB-2 registration statement to be declared effective at the earliest practicable date", said Gerald J. Houston, Chief Financial Officer of Lifeline. "As we have disclosed in our Form 10-QSB and Form 10-KSB filings, we have been actively engaged in discussions with SEC Staff on a variety of issues. We feel that these restatements clarify the purpose and accounting for the purchase of LNC and move us forward in the registration process."

**About Protandim<sup>®</sup>**

Protandim<sup>®</sup> is a patent-pending dietary supplement that increases the body's natural antioxidant protection by inducing two protective enzymes, superoxide dismutase (SOD) and catalase (CAT). These naturally occurring enzymes simply become overwhelmed by free radicals as we get older. Oxidative stress (cell damage caused by free radicals) occurs as a person ages, when subjected to environmental stresses or as an associated factor in certain illnesses. TBARS are laboratory markers for oxidative stress in the body. Data from a peer-reviewed, published scientific study in men and women, sponsored by Lifeline, show that after 30 days of taking Protandim<sup>®</sup>, the level of circulating TBARS decreased an average of 40 percent, with this decrease shown to be maintained at 120 days. Protandim<sup>®</sup> strengthens a person's defenses against oxidative stress by increasing the body's natural antioxidant enzymes. For more information, please visit the Protandim<sup>®</sup> product web site at [www.protandim.com](http://www.protandim.com).

**About Lifeline Therapeutics, Inc.**

Lifeline Therapeutics, Inc. markets Protandim<sup>®</sup>. Lifeline Therapeutics is committed to helping people achieve health and wellness for life. For more information, please visit the Company's web site at [www.lifelinetherapeutics.com](http://www.lifelinetherapeutics.com).

Except for historical information contained herein, this document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, applicable common law and Securities and Exchange Commission rules. The Company uses the words "anticipate," "believe," "could," "should," "estimate," "expect," "intend," "may," "predict," "project," "plan," "target" and similar terms and phrases, including references to assumptions, to identify forward-looking statements. These forward-looking statements are based on the Company's current expectations and beliefs concerning future events affecting the Company and involve known and unknown risks and uncertainties that may cause the Company's actual results or outcomes to be materially different from those anticipated and discussed herein. These risks and uncertainties are difficult to predict accurately and may be beyond the control of the Company. The following factors are among those that may cause actual results to differ materially from our forward-looking statements: unanticipated delays in completing the process of our restatement of historical financial statements and related audits, including delays in or restrictions on our ability to access the capital markets or other adverse effects to our business and financial position; the Company's ability to protect our intellectual property rights and the value of our product; and the illiquidity of our common stock. These and other additional risk factors and uncertainties are discussed in greater detail in the Company's Annual Report on Form 10-KSB under the caption "Risk Factors", and in other documents filed the Company from time to time with the Securities and Exchange Commission. Forward-looking statements made by the Company in this news release

or elsewhere speak only as of the date made. New uncertainties and risks come up from time to time, and it is impossible for the Company to predict these events or how they may affect the Company. The Company has no duty to, and does not intend to, update or revise the forward-looking statements in this news release after the date it is issued. In light of these risks and uncertainties, investors should keep in mind that the results, events or developments disclosed in any forward-looking statement made in this news release may not occur.

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CONTACTS:

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