PLANET TECHNOLOGIES, INC
Form PREM14A
April 29, 2005

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SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant þ
Filed by a Party other than the Registrant o
Check the appropriate box:

þ Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

PLANET TECHNOLOGIES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.
þ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:
Common Stock, no par value

(2) Aggregate number of securities to which transaction applies:
600,000 shares of Common Stock

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
The proposed aggregate value of the transaction for purposes of calculating the filing fee is $1,050,000. The aggregate value was determined by (a) multiplying (i) 600,000 shares of common stock that are proposed to be exchanged by (ii) $1.75 which represents the market value of each share of Common Stock to be acquired in the acquisition.

(Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:
$1,050,000

(5) Total fee paid:
$123.59

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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PLANET TECHNOLOGIES, INC.
6835 Flanders Drive, Suite 100
San Diego, California 92121
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 30, 2005

DEAR SHAREHOLDERS:

Notice is hereby given that the Annual Meeting of Shareholders of Planet Technologies, Inc., a California corporation (the Company), will be held on May 30, 2005, at 10:00 a.m. local time, at 800 Silverado Street, Second Floor, La Jolla, California 92037 for the following purpose:

1. To adopt and approve the Agreement and Plan of Merger, dated March 7, 2005, among Allergy Control Products, Inc., a Delaware corporation (ACP) and Jonathan T. Dawson, an individual and the sole shareholder of ACP, and the Company, and to approve the merger between ACP Acquisition Corp., a wholly owned subsidiary of the Company and ACP (the Merger) pursuant to which ACP will become a wholly owned subsidiary of the Company and the sole shareholder will receive 600,000 shares of the common stock of the Company;

2. To elect five (5) directors to hold office until the next Annual Meeting of Shareholders or until their successors are elected and qualified;

3. To approve the Company s 2000 Stock Option Plan, as amended, to increase the aggregate number of shares of common stock reserved for issuance under such plan from 100,000 to 350,000;

4. To approve the engagement of J.H. Cohn LLP, its independent registered public accounting firm, for the fiscal year ended December 31, 2005; and

5. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors of the Company has approved each of the proposals and recommends that you vote IN FAVOR of each of the proposals as described in the attached materials. Before voting, you should carefully review all of the information contained in the attached proxy statement and in particular you should consider the matters discussed under Risk Factors under certain of the Proposals listed above.

All shareholders are cordially invited to attend the Annual Meeting. Only shareholders of record at the close of business on May 2, 2005, are entitled to notice of and to vote at the Annual Meeting and any adjustments thereof. A complete list of shareholders entitled to vote at the Annual Meeting will be available at the meeting.

Sincerely,

Scott L. Glenn

San Diego, California
April 28, 2005

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. A RETURN ENVELOPE (WHICH IS POSTAGE PREPAID IF MAILED IN THE UNITED STATES) IS ENCLOSED FOR THAT PURPOSE. EVEN IF YOU HAVE GIVEN YOUR PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN FROM THE RECORD HOLDER A PROXY ISSUED IN YOUR NAME.

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EXHIBIT LIST

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PLANET TECHNOLOGIES, INC.
6835 Flanders Drive, Suite 100
San Diego, California 92121
PROXY STATEMENT
SUMMARY TERM SHEET

THIS SUMMARY MAY NOT CONTAIN ALL OF THE INFORMATION THAT IS IMPORTANT TO YOU. FOR A MORE COMPLETE UNDERSTANDING OF THE INFORMATION CONTAINED IN THIS PROXY STATEMENT, YOU SHOULD READ THE ENTIRE PROXY STATEMENT CAREFULLY, AS WELL AS THE ADDITIONAL DOCUMENTS TO WHICH IT REFERS.

THE ANNUAL MEETING

Date, Time and Place of Annual Meeting	The Annual Meeting will be held on May 30, 2005 beginning at 10:00 a.m., La Jolla time, at 800 Silverado Street, La Jolla, CA 92037.
Record Date: Shareholders Entitled to Vote; Quorum	Only holders of record of Planet common stock on May 2, 2005 are entitled to notice of and to vote at the Annual Meeting. As of the record date, there were 2,180,368 shares of Planet common stock outstanding. The presence, in person or by proxy, of the holders of a majority of our common stock will constitute a quorum.
Vote Required	Holders of a majority of the outstanding common stock are required to vote in favor of Proposal 1 for such proposal to pass; the five persons with the most number of votes will be elected directors pursuant to Proposal 2; and assuming a quorum is present, holders of a majority of the outstanding common stock present in person or represented by proxy at the meeting are required to vote in favor of Proposals 3 and 4 for such proposals to pass.
Recommendation of Board of Directors	Our Board of Directors unanimously approved each of the Proposals to be considered at the Annual Meeting. The Board recommends that the stockholders vote FOR each proposal.

PROPOSAL 1 ALLERGY CONTROL PRODUCTS MERGER

Companies Involved in the Merger	Planet Technologies, Inc. is engaged in the business of designing, manufacturing, selling, and distributing consumer products for use by allergy sensitive persons, including air filters, bedding and similar products. Allergy Control Products, Inc. is engaged in the business of developing and marketing environmental controls to reduce allergen exposure. Such environmental control products include: allergen proof pillow and mattress encasings, HEPA filter air cleaners, HEPA filter vacuum cleaners, carpet treatments and respiratory products.
Summary of the Merger	In the Merger, the Company will issue and deliver to the sole-shareholder of ACP approximately 600,000 shares of the Company s common stock (or 300 shares of Company common stock

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	for each one share of ACP common stock outstanding). As a condition to, and simultaneously with, the effective time of the Merger, the Company shall cause to be paid to Jonathan T. Dawson the sum of $1,500,000 cash in full payment of all indebtedness of ACP to Mr. Dawson, its sole-shareholder.
Reasons for the Merger	In approving the Merger and in recommending that the Company s shareholders approve the Agreement and Plan of Merger and the Merger, the Company s Board of Directors considered a number of factors. The Company considered the impact on combining the Company s business with ACP s business, and the potential positive results of combining the operations and technology of ACP with the operations and technology of the Company.
Background and Negotiations Related to the Merger	The Company and ACP have been discussing the possibility of merger since late 2004. The discussions led to entering into the Agreement and Plan of Merger on March 7, 2005.
Material Tax Consequences to the Company and its Shareholders	The Merger should not result in any material tax consequences to either the Company or its shareholders.
Dissenters Rights	If the Merger is approved by the required vote of the Company s shareholders and is not abandoned or terminated, holders of the Company s common stock who did not vote in favor of the Merger and who notify the Company in writing of their intent to demand payment of their shares if the Merger is consummated, may, by complying with Sections 1300 through 1312 of the California Corporations Code, be entitled to dissenters rights as described therein. The Company s shareholders must notify the Company of their intent to dissent within 30 days of the date that the notice of approval of the Merger is mailed to all the Company s shareholders who did not vote in favor of the Merger.
Vote Required to Approve Asset Purchase and Merger	The affirmative vote of holders of the majority of outstanding common stock is required to approve the Agreement and Plan of Merger and the Merger.

PROPOSAL 2 ELECTION OF DIRECTORS

Nominees	There are five board nominees for the five board positions presently authorized by the Company s current bylaws. The names of the nominees are H. M. Busby; Scott L. Glenn; Eric B. Freedus, Ellen Preston; and Michael Trinkle.
Voting	Shares represented by executed proxies will vote, if authority to do so is not withheld, for the election of the nominees, subject to the discretionary power to cumulate votes. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as management may propose. Each person nominated for election has agreed to serve if elected and management has no reason to believe that any nominee will be unable to serve.

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PROPOSAL 3 AMENDMENT TO THE 2000 STOCK OPTION PLAN

Description of the 2000 Plan, as Amended	The Company proposes to increase the number of shares reserved for issuance under the 2000 Plan from 100,000 shares to 350,000 shares. The purpose of the increase is to reserve an adequate number of shares of Common Stock for awards pursuant to the 2000 Plan sufficient to accommodate the retention of the current Board of Directors and executive officers of the Company and Edward Steube as President/ CEO of ACP, as a subsidiary of the Company, and in the future, other key employees, officers and directors. The number of shares available for issuance will be subject to adjustment to prevent dilution in the event of stock splits, stock dividends or other changes in the capitalization of the Company.
Tax Consequences	For Federal Income Tax purposes, the grant to an optionee of a non-incentive option generally will not constitute a taxable event to the optionee or to the Company. Similarly, for Federal Income Tax purposes, in general, neither the grant nor the exercise of an incentive option will constitute a taxable event to the optionee or to the Company, assuming the incentive option qualifies as an Incentive Stock Option under Internal Revenue Code Section 422.
Vote Required to Approve	The affirmative votes of the holders of the majority of common stock present in person or represented by proxy and which constitute a quorum at the meeting are required to approve the amendment to the 2000 stock option plan.

PROPOSAL 4 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Engagement of Accountant	We have approved retaining J.H. Cohn LLP to serve as our independent registered public accounting firm for the 2005 fiscal year and we seek stockholder ratification of that decision.
Vote Required to Approve	The affirmative votes of the holders of the majority of common stock present in person or represented by proxy at the meeting are required to ratify the selection of independent registered public accounting firm.

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PLANET TECHNOLOGIES, INC.
6835 Flanders Drive, Suite 100
San Diego, California 92121
PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 30, 2005
INFORMATION CONCERNING SOLICITATION AND VOTING
INTRODUCTION

General Information

The enclosed proxy is solicited on behalf of the Board of Directors (the Board) of Planet Technologies, Inc., a California corporation (the Company), for use at the Annual Meeting of Shareholders to be held on May 30, 2005 at 10:00 a.m. local time (the Annual Meeting), or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 800 Silverado Street, Second Floor, La Jolla, California 92037. The Company intends to mail this proxy statement and accompanying proxy card on or about May 2, 2005, to all shareholders entitled to vote at the Annual Meeting.

Solicitation

The Company will bear the entire cost of solicitation of proxies including preparation, assembly, printing and mailing of this proxy statement, the proxy and any additional information furnished to shareholders. Copies of solicitation materials will be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of Common Stock beneficially owned by others to forward to such beneficial owners. The Company may reimburse persons representing beneficial owners of Common Stock for their costs of forwarding solicitation materials to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, telegram or personal solicitation by directors, officers or other regular employees of the Company. No additional compensation will be paid to directors, officers or other regular employees for such services.

Voting Rights and Outstanding Shares

For purposes of the Annual Meeting, a quorum means a majority of the outstanding shares entitled to vote. Holders of record of the Company s Common Stock at the close of business on May 2, 2005 (the Record Date) will be entitled to notice of and to vote at the Annual Meeting. At the close of business on May 2, 2005, the Company had outstanding and entitled to vote 2,180,368 shares of Common Stock. In determining whether a quorum exists at the Annual meeting, all shares represented in person or by proxy, including abstentions and broker non-votes, will be counted.

Except as provided below, on all matters to be voted upon at the Annual Meeting, each holder of record of Common Stock on the Record Date will be entitled to one vote for each share held. With respect to the election of directors, shareholders may exercise cumulative voting rights, i.e., each shareholder entitled to vote for the election of directors may cast a total number of votes equal to the number of directors to be elected multiplied by the number of such shareholder shares (on an as converted basis), and may cast such total of votes for one or more candidates in such proportions as such shareholder chooses. Unless the proxy holders are otherwise instructed, shareholders, by means of the accompanying proxy, will grant proxy holders discretionary authority to cumulate votes.

All votes will be tabulated by the inspector of election appointed for the meeting, who will separately tabulate affirmative and negative votes, abstentions and broker non-votes. Abstentions will be counted towards the tabulation of votes cast on proposals presented to the shareholders and will have the same effect as negative Votes. Broker non-votes are counted toward a quorum, but are not counted for any purpose in determining whether a matter has been approved.

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How to Vote

Please sign, date and return the enclosed proxy card promptly. If your shares are held in the name of a bank, broker, or other holder of record (that is, in street name) you will receive instructions from the holder of record that you must follow for your shares to be voted.

Revocability of Proxies

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with the Secretary of the Company at the Company s principal executive office, 6835 Flanders Drive, Suite 100, San Diego, California 92121, a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Attendance at the meeting will not, by itself, revoke a proxy.

Votes Required to Approve Proposals

Shares represented by executed proxies that are not revoked will be voted in accordance with the instructions in the proxy, or in the absence of instructions, in accordance with the recommendations of the Board of Directors. Assuming a quorum is present at the Annual Meeting, the following table sets forth the votes required to approve each Proposal:

Proposal	Vote Required to Approve
Proposal 1 (Adopt and approve Agreement and Plan of Merger and the Merger)	Holders of a majority of the outstanding common stock.
Proposal 2 (Elect directors)	The five persons with the most number of votes will be elected.
Proposal 3 (Amend 2000 Stock Option Plan)	Holders of a majority of common stock present in person or represented by proxy at the meeting.
Proposal 4 (Ratify Appointment of Independent Registered Public Accounting Firm)	Holders of a majority of common stock in person or represented by proxy at the meeting.
Other Business	Holders of a majority of common stock in person or represented by proxy at the meeting.

Board Recommendations

The Board of Directors unanimously approved each of the Proposals to be considered at the Annual Meeting and recommends that shareholders also vote IN FAVOR OF approval of each Proposal.

Dissenters Rights

If the Merger is approved by the required vote of the Company s shareholders and is not abandoned or terminated, holders of the Company s common stock who did not vote in favor of the Merger and who notify the Company in writing of their intent to demand payment of their shares if the Merger is consummated, may, by complying with Sections 1300 through 1312 of the California Corporations Code, a copy of which is attached hereto as Exhibit D , be entitled to dissenters rights as described therein. The Company s shareholders must notify the Company of their intent to dissent within 30 days of the date that the notice of approval of the Merger is mailed to all the Company s shareholders who did not vote in favor of the Acquisition.

Shareholder Proposals

The deadline for submitting a shareholder proposal for inclusion in the Company s proxy statement and form of proxy for the Company s 2006 Annual Meeting of Shareholders pursuant to Rule 14a-8 of the Securities and Exchange Commission is January 27, 2006. Shareholders are also advised to review the Company s current Bylaws, which contain additional requirements with respect to advance notice of shareholder proposals and director nominations.

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STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This proxy statement contains forward-looking statements that involve substantial risks and uncertainties. In some cases you can identify these statements by forward-looking words such as anticipate, believe, could, estimate, exp intend, may, should, will, and would or similar words. In particular, statements regarding expected strategic ben advantages and other effects of the Merger and other proposals described in this proxy statement are forward-looking statements. You should read forward-looking statements carefully because they may discuss our future expectations, contain projections of the Company s and ACP s future results of operations or of our financial position or state other forward-looking information. The Company believes that it is important to communicate its future expectations to their investors. However, there may be events in the future that the Company is not able to accurately predict or control. The factors listed above in the sections captioned Risk Factors, as well as any cautionary language in this proxy statement, provide examples of risks, uncertainties and events that may cause the actual results to differ materially from any expectations they describe. Actual results or outcomes may differ materially from those predicted in the forward-looking statements due to the risks and uncertainties inherent in their business, including risks and uncertainties in:

- market acceptance of and continuing demand for its products;
- the Company s ability to protect its intellectual property;
- the impact of competitive products, pricing and customer service and support;
- the Company s ability to obtain additional financing to support their operations;
- obtaining and maintaining regulatory approval where required;
- changing market conditions; and
- other risks detailed in this proxy statement.

You should also consider carefully the statements under Risk Factors in the other documents filed with the SEC, which address factors that could cause actual results to differ from those set forth in the forward-looking statements. You should not place undue reliance on any forward-looking statements, which reflect the views of the Company s and ACP s management only as of the date of this proxy statement. The Company and ACP are not obligated to update any forward-looking statements to reflect events or circumstances that occur after the date on which such statement is made.

PROPOSAL 1
THE MERGER

Overview

Allergy Control Products, Inc., a Delaware corporation, (ACP) is engaged in the business of developing and marketing environmental controls to reduce allergen exposure. Such environmental control products include: allergen proof pillow and mattress encasings, HEPA filter air cleaners, HEPA filter vacuum cleaners, carpet treatments and respiratory products.

On March 7, 2005, the Company entered into an Agreement and Plan of Merger (the Agreement) with ACP, whereby the Company agreed, subject to shareholder approval, to purchase substantially all of the assets and assume certain liabilities of ACP (the Merger). The Agreement is the main legal document that governs the transaction and is attached to this proxy statement as Exhibit C with the exception of the exhibits thereto which will be provided upon request. We encourage you to read the Agreement carefully. The descriptions of the Agreement set forth below are qualified in their entirety by reference to the full text of the Agreement including all exhibits, schedules and other documents incorporated by reference thereto.

In the Merger, the Company will issue and deliver to the sole-shareholder of ACP approximately 600,000 shares of the Company s common stock. As a condition to, and simultaneously with, the effective

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time of the Merger, the Company shall cause to be paid to Jonathan T. Dawson the sum of $1,500,000 cash in full payment of all indebtedness of ACP to Mr. Dawson, its sole-shareholder.

Reasons for the Merger

In approving the Merger and in recommending that the Company s shareholders approve the Agreement and Plan of Merger and the Merger, the Company board of directors considered a number of factors, including, without limitation, the following factors which the Company believes includes all material factors:

Information concerning the Company s and ACP s respective businesses, prospects, business plans, financial performance and condition, results of operations, technology and competitive positions;

The compatibility of the Company s business with that of ACP s business;

The due diligence investigation conducted by the Company s management;

The terms of the Agreement and Plan of Merger, including price and structure, which were considered by the Company board of directors to provide a fair and equitable basis for the Merger; and

The current financial market conditions and historical stock market prices, volatility and trading information.

In arriving at its determination that the Merger is in the best interest of the Company and its shareholders, the board of directors carefully considered the terms of the Agreement and Plan of Merger and the other transaction documents, as well as the potential impact of the merger on the Company. In authorizing the merger, the board of directors considered the factors set out above as well as the following factors:

A stronger and more compelling portfolio of products created by the addition of ACP s product line, including a broader range of allergen proof pillow and mattress encasings, HEPA filter air cleaners, HEPA filter vacuum cleaners, carpet treatments and respiratory products, as a result of the Merger;

ACP s expertise and experience in the consumer products business and technology markets on the East Coast;

ACP s access to distribution channels not previously utilized effectively by the Company; and

Operational synergies expected to reduce the combined operating expenses. Although the Company s principal executive office will remain in San Diego, California, the Company plans to consolidate operations of the Company and ACP into ACP s operations in Ridgefield, Connecticut, under the direction of Edward J. Steube as President of the ACP subsidiary.

The Company board of directors also considered a number of potentially negative factors, including, but not limited to:

the risk that the potential benefits sought in the Merger might not be fully realized;

the dilution to the Company s existing shareholders;

the potential negative effect on the Company s stock price associated with public announcement of the proposed Merger;

the potential negative effect on the Company s stock price if revenue, earnings and cash flow expectations of the Company following the Merger are not met;

the potential dilutive effect on the Company s common stock price if revenue and earnings expectations for ACP s business operations are not met;

the ability to successfully manage the combined operations of the Company and ACP; and

the other risks and uncertainties discussed under Risk Factors.

In view of the variety of factors considered in connection with its evaluation of the Merger, the Company board of directors did not find it practical to, and did not quantify or otherwise attempt to, assign relative weight to the specific factors considered in reaching its conclusions. Additionally, the Company board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, but rather

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conducted an overall analysis of the factors described above. In considering the factors described above, individual members of the board of directors may have given different weight to different factors. After taking into account all of the factors set forth above, the members of the Company board of directors concluded that the Agreement and Plan of Merger and the related Merger were advisable and in the best interests of the Company and its shareholders and that the Company should proceed with the Merger.

Background and Negotiations Related to the Merger

In January and February 2004, Allergy Free, LLC (Allergy Free, now Planet) began an analysis of its competitors within the allergy control industry. Allergy Free s business purpose in analyzing its competitors and the industry as a whole, was to determine whether there existed a potential strategic combination with another company within the industry to better optimize Allergy Free s business plan moving forward.

After performing the aforementioned industry analysis, Allergy Free identified ACP as a candidate company for a potential strategic combination. As such, Shauna Salzetti of Allergy Free contacted Sanford Miller, Vice President of ACP, to discuss the potential for cross promotion of products between the two companies. At this time Scott L. Glenn, the then Manager of Allergy Free contacted Ed Steube the President of ACP to introduce the idea of a potential strategic alliance between their respective companies.

In March 2004, Mr. Glenn met with Mr. Steube at ACP s headquarters in Ridgefield, Connecticut, to tour the ACP facilities in order to gain a greater understanding of the ACP business structure and culture and to further discussions regarding a potential strategic alliance between the companies.

In the period between June and September 2004, Allergy Free performed various financial analyses to determine the viability of a strategic alliance with ACP and when deemed viable, the most beneficial form for the alliance.

In January 2005, Scott L. Glenn, in the capacity of President of Planet, began discussing the terms of an alliance with Jonathan Dawson, the sole-shareholder of ACP. Thereafter, counsel for Planet and counsel for ACP began active discussions regarding preliminary terms and conditions of the Agreement and Plan of Merger.

In February 2005, an initial draft of the Agreement and Plan of Merger was begun.

On January 25, 2005, at a regularly scheduled Planet Board of Directors meeting, Mr. Glenn reviewed the possible acquisition of ACP. After a lengthy discussion, it was moved, seconded and approved that the Company move forward in its discussions with ACP, for stock and cash, contingent upon shareholder approval.

On March 7, 2005, at a regularly scheduled Planet Board of Directors meeting, Mr. Glenn reviewed the proposed acquisition agreement with ACP. The parties (ACP and Jonathan Dawson) had agreed on the general terms of $1,500,000 cash and 600,000 shares of the Company s stock. After some discussion, the board gave its unanimous approval for Mr. Glenn to sign the acquisition agreement with ACP. Subsequent to the Board meeting, the Agreement and Plan of Merger and related documents were executed and delivered.

On March 10, 2005, ACP and the Company issued a public announcement of the Merger.

Completion of the Merger

The Company and ACP are working toward completing the Merger as quickly as possible. The Company and ACP intend to complete the Merger promptly after the shareholders of the Company approve the Merger at the annual shareholders meeting. The Company and ACP expect to complete the Merger in the second quarter of 2005.

The obligations of the Company and ACP to complete the Merger are subject to the satisfaction or waiver of several closing conditions, including, in addition to other customary closing conditions, the following:

The Company s shareholders and ACP s shareholder must have approved and adopted the Agreement and Plan of Merger and the related Merger.

No injunction or other order shall have been issued to prohibit consummation of the Merger.

The representations and warranties of the Company and ACP shall be true and correct as of the date of the Agreement and Plan of Merger and the Effective Time of the Merger.

The Company and ACP shall have performed all obligations required to be performed under the Asset Purchase Agreement.

The Company shall have retained Edward Steube as President and Chief Executive Officer of ACP, as a subsidiary of the Company.

The Company shall have caused to be paid to Jonathan T. Dawson cash in the amount of $1,500,000 in full repayment of all obligations of ACP to Mr. Dawson.

Termination prior to completion of Merger

The Agreement and Plan of Merger may be terminated before the Merger is completed:

by mutual written consent;

by either party, if the Acquisition has not been completed by September 30, 2005 through no fault of the terminating party;

by the Company, if ACP has entered into discussions or has received a proposal regarding a merger, reorganization, share exchange, consolidation or similar transaction involving ACP, or any purchase of all or substantially all of the assets of ACP or more than 10% of the outstanding equity securities of ACP, and continue said discussions with any third party for more than 15 Business Days after receipt of the proposal or beginning discussions; and

by either party, if there has been a material breach by the other party of any representation, warranty, covenant or agreement in the Acquisition, and the breach has not been cured within 30 days after written notice (except that no cure period shall be required for a breach which cannot be amended within 30 days).

Termination Fees

The Company or ACP may be required to pay a termination fee to the other party as follows:

If ACP terminates the Agreement because:

The Company has breached a representation or warranty of the Company as provided in the Agreement, the Company shall pay to ACP $150,000 as a termination fee; or

ACP accepts an acquisition or other similar proposal from a third party, then ACP must pay to the Company $150,000 as a termination fee.

Dissenters Rights

If the Merger is approved by the required vote of the Company s shareholders and is not abandoned or terminated, holders of the Company s common stock who did not vote in favor of the Merger and who notify the Company in writing of their intent to demand payment of their shares if the Merger is consummated, may, by complying with Sections 1300 through 1312 of the California Corporations Code, a copy of which is attached hereto as Exhibit D, be entitled to dissenters rights as described therein. The Company s shareholders must notify the Company of their intent to dissent within 30 days of the date that the notice of approval of the Merger is mailed to all the Company s shareholders who did not vote in favor of the Merger.

THE AGREEMENT AND PLAN OF MERGER

The following is a brief summary of the some of the material terms of the Agreement and Plan of Merger. This summary does not purport to be complete, and is qualified in its entirety by reference to the text of the Agreement and Plan of Merger, which is attached as Exhibit C to this proxy statement. The exhibits to the Agreement and Plan of Merger are not attached hereto, but are available for review upon request.

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Representations and Warranties

ACP made representations, and warranties to the Company relating to:

ACP s organization, standing and authority;

ACP Capital Stock, authorized and outstanding;

ACP has no subsidiaries;

ACP corporate power to carry on its business;

ACP corporate authority to enter into the Agreement and Plan of Merger, enforceability of the Agreement and Plan of Merger, required board of directors and shareholder approvals to complete the Merger;

ACP compliance with regulatory approvals;

ACP financial reports and assurance of no undisclosed liabilities;

No litigation pending;

ACP compliance with laws;

ACP not in default under any contract or other commitment;

ACP s material contracts and all of its commitments;

ACP employee benefit plans;

ACP labor matters;

ACP environmental matters;

ACP tax matters;

ACP books and records;

The validity of certain insurance policies in ACP s name;

ACP real property;

The validity of certain leases in ACP s name; and

ACP title to properties and assets.

The Company made representations and warranties to ACP relating to, among other things:

Company organization, standing and authority;

Corporate authorization to enter into the Agreement and Plan of Merger, enforceability of the Agreement and Plan of Merger, required board of directors and shareholder approvals to complete the Merger;

Valid issuance of the Company common stock;

Company has no subsidiaries;

Company corporate power to carry on its business;

Regulatory approvals, no violations;

Financial reports and SEC documents;

Except as disclosed in previous SEC filings, no event has occurred reasonably likely to have a material adverse effect with respect to the Company;

No litigation pending;

Environmental matters and compliance thereto; and

The validity of certain insurance policies in the Company s name.

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Competition and Non-Disclosure

The Agreement and Plan of Merger contains provisions prohibiting ACP and certain shareholders, officers and directors of ACP from engaging in business competitive with the business of ACP or the Company, disclosing information related to the business of ACP or the Company other than to the Company, soliciting ACP or Company customers or suppliers with respect to products presently used by ACP or the Company or to induce an employee to leave his or her employment with the Company. This agreement against competition and disclosure ends on December 31, 2007.

Additional Agreements

None.

Employment Agreements

The Company has agreed, following the Merger, to retain Edward J. Steube (who is currently the President of ACP) as the President/ CEO of the Company s ACP subsidiary on the terms and conditions set forth in the Form of Employment Agreement attached as Exhibit B to the Agreement and Plan of Merger. Edward J. Steube would be paid an initial annual base salary of $200,000 and would be eligible for annual salary increases. Edward J. Steube would be eligible to earn a discretionary annual performance bonus at the discretion of the Company s Board. In addition, Edward J. Steube would, subject to Board approval, be granted a stock option under the terms of the Company s 2000 Stock Incentive Plan to purchase an amount of Company common stock equal to 3% of the then outstanding shares of Company common stock, but not less than 100,000 shares. ACP has verbally represented to the Company that concurrently with or immediately prior to the closing the employment of one officer of ACP will be terminated and the officer paid termination compensation of $500,000, which will be funded by a $500,000 contribution of capital to ACP by its sole shareholder.

MANAGEMENT S DISCUSSION OF THE COMPANY

Description of the Company s Business

General

On November 30, 2004, the Company acquired the business of Allergy Free, LLC, and is now engaged in the business of designing, manufacturing, selling, and distributing common products for use by allergy sensitive persons, including, without limitation, air filters, bedding, room air cleaners, and related allergen avoidance products. Allergy Free acquired its business on or about November 3, 2000, when it acquired substantially all of the assets and business of Allergy Free, L.P., a Delaware limited partnership. The business strategy is primarily based upon the marketing and selling of a complete range of branded, allergen avoidance products to its database of customers who have purchased the Allergy-Free® Electrostatic Filter. Promotion is executed primarily through direct telemarketing, supplemented with direct mail, radio, and Internet advertising. In addition, we will continue to pursue co-marketing opportunities with appropriate partners in order to increase consumer awareness and expand our customer base. We will market our products under the Allergy Free® trade name. In conjunction with these activities, the Company operates an e-commerce website for the sale of Allergy-Free® products at www.800allergy.com.

The allergy avoidance product industry provides products and information that help people suffering from allergies or asthma to reduce the level of exposure to allergens in their environment. Market categories include: air filtration products, mold and mildew products, and products to avoid exposure to dust mites and other allergens. Market distribution channels include: direct to consumer sales, physician directed sales, the Internet, and retail. Competitors include National Allergy Supply, Mission Allergy, Allergy Control Products, Allergy Buyers Club, 3M and Sharper Image.

The Company s business, products, and properties are more fully described in the Company s Annual Report on Form 10-KSB for the year ended December 31, 2004 attached hereto as Exhibit B.

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MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company s Common Stock trades on the OTC.BB under the symbol PLNT.OB. The following table sets forth the high and low sales prices of the Company s Common Stock for the period from January 1, 2003 through March 31, 2005 as furnished by the OTC.BB. These prices reflect prices between dealers without retail markups, markdowns or commissions, and may not necessarily represent actual transactions. These prices also reflect the reverse stock split effective December 6, 2004:

	Trade Prices	
	High	Low
Fiscal year ended December 31, 2003		
First Quarter	$ 4.00	$ 0.50
Second Quarter	5.00	2.50
Third Quarter	3.00	2.50
Fourth Quarter	3.50	1.50
Fiscal year ended December 31, 2004		
First Quarter	12.50	1.75
Second Quarter	10.50	3.00
Third Quarter	3.50	2.50
Fourth Quarter	3.50	0.70
2005		
First Quarter	3.00	0.70

On April 12, 2005, the last reported sale price of the Company s Common Stock on the Over-the-Counter Bulletin Board was $1.25 per share. As of March 11, 2005, there were approximately 194 holders of record of the Company s Common Stock with 2,180,368 shares outstanding. The market price of shares of Common Stock, like that of the common stock of many other emerging growth companies, has been and is likely to continue to be highly volatile.

The Company has never declared or paid a cash dividend. The Company has not paid and does not intend to pay any Common Stock dividends to Common Stock shareholders in the foreseeable future and intends to retain any future earnings to fund the Company s operations. Any payment of dividends in the future will depend upon the Company s earnings, capital requirements, financial condition and such other factors as the Board of Directors may deem relevant.

Recent Sales of Unregistered Securities

During the period from January 1, 2005, through March 31, 2005, the Company entered into subscription agreements with investors for the sale of an aggregate of 112,000 shares of Company common stock at $2.50 a share. The net proceeds received by the company for the period January 1, 2005 through March 31, 2005, totaled $280,000. The Company relied upon an exemption from registration pursuant to Section 4(2) of, and Regulation D, promulgated under, the Securities Act.

On November 30, 2004, the Company issued 1,655,670 shares of common stock to AF Partners, LLC, and certain former members of AF Partners as consideration for the assets of Allergy Free, LLC, valued at $2.50 per share. The Company relied on Section 4(2) of and Regulation D, promulgated under, the Securities Act, as a basis of exemption from registration.

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

Please see the Company s Form 10-KSB, which was filed with the SEC on March 31, 2005, a copy of which is attached hereto as Exhibit B, for the Company s management s discussion and analysis of financial condition and results of operation.

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FINANCIAL STATEMENTS

Please see the Company s Form 10-KSB, which was filed with the SEC on March 31, 2005, a copy of which is attached hereto as Exhibit B, for our financial statements.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None

ACP S BUSINESS

Description of ACP s Business

General

Allergy Control Products, Inc. (ACP) is a supplier of indoor allergen avoidance products. ACP s core business strategy is to supply a complete range of high quality products to physician s patients who are allergy sufferers, as well as to previous customers. Promotion is executed through (a) distribution of catalogs to physicians offices, for subsequent re-distribution to patients, (b) distribution of catalogs directly to previous customers and (c) selective e-commerce marketing initiatives. Customer transactions are primarily handled through ACP s in-bound call center and its website. In addition to this core business strategy, ACP also sells selective products on a wholesale basis to domestic retailers as well as to international distributors.

Products include ACP s own Allergy Control® branded bedding products, which are effective barriers to the transmission of dust mite allergen and pet dander. ACP also markets other bedding products, carpet cleaning and laundry products, vacuums, air cleaners and air filters, sinus and breathing aids, respiratory products, dehumidifiers, mold prevention and house cleaning products, pet allergy products and certain allergy-related skin and hair care products.

Market distribution channels (non-wholesale) for allergen avoidance products include: physician-directed sales, direct to consumer sales, the Internet and retail. In the physician-directed sales segment, ACP s primary competitors are National Allergy Supply, Asthma and Allergies Technology, Allergy Solutions and Mission Allergy.

Products and Technologies

ACP offers the following allergen barrier bedding products under its own Allergy Control® brand. All of these products are contract manufactured to ACP s specifications for optimal quality and reliability.

Encasings: ACP offers three encasing product lines, each with distinct levels of allergen barrier effectiveness, comfort, durability and price. It s Pristine® Complete and Pristine® Relief encasings use micro-fiber fabrics. ACP s Economy encasings use laminated fabrics.

Blankets: ACP offers Snuggable® blankets, which are made from a top quality 300-weight Polartec® fleece, which has a high level of softness and warmth without extra weight. Allergy sufferers benefit from their use specifically because the blankets hold up exceptionally well through repeated hot water washing, which is the recommended process to eliminate allergens.

Comforters: As with it s Pristine® Complete encasings, ACP s comforters are manufactured with the most advanced Pristine® encasing fabric. It delivers complete dust mite and pet allergen protection, is luxuriously soft and breathable like fine cotton linens and also includes an anti-microbial treatment. The comforters are available in both light and heavier weights.

Pillows: ACP offers two Allergy Control®l Pristine® Deluxe pillow styles a contour neck style and a gusseted style. As in the case of ACP s branded comforters, allergy sufferers who use these branded pillows do not require encasings, since the product itself is manufactured with highly effective and comfortable allergen barrier fabric.

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In addition to Allergy Control® branded bedding products, ACP offers a comprehensive list of other products for allergy sufferers. The following includes some of the important brand offerings per category in ACP s current product mix:

Bedding: Comforel® mattress cushions, Wamsutta® sheets and pillowcases.

Carpets and Laundry: Allersearch®, Capture®, DustMite®, Bissell® and De-mite® branded products.

Vacuums: A variety of Miele® vacuums, at differing price points.

Air Cleaners: Austin Air®, Blueair®, Honeywell® and Whirlpool® brands.

Air Filters: 3M®, Allergy Pro® and Allergy Zone® brands.

Respiratory (Nebulizers and Compressors): Omron® and Pari® brands.

Product Registrations

ACP does not directly manufacture any product requiring EPA or FDA registration.

Licensed Technology and Intellectual Property

ACP does not directly license technology associated with its products. ACP does have an agreement with Precision Fabrics Group, Inc (PFG), whereby PFG exclusively provides to ACP its highest quality micro-woven fabric. This agreement was originated in 1998 and was amended in 2004, extending its term until December 31, 2008.

Research and Development

ACP is not actively developing new products, although ACP has historically worked with various third parties to develop new bedding products and product line extensions.

Customers of ACP

The primary customer for ACP s products is the consumer who is an allergy sufferer. In addition, a limited number of domestic retailers purchase ACP s products for resale to the public. A limited number of international distributors also purchase certain products for resale to various parties located within their respective countries and/or market territories.

Physician offices are an important intermediary between ACP and the consumer. ACP receives customer orders from patients of more than 5,000 identified physicians.

Suppliers of ACP

In addition to the already indicated branded product suppliers, ACP purchases raw materials for use in manufactured bedding products from two sources:

Precision Fabrics Group (micro-woven allergen barrier fabric)

Shawmut Mills (laminated allergen barrier fabric)

Sales and Marketing

ACP employs staff to manage and perform marketing, sales and customer service functions. Currently, ACP actively markets through its physician and customer catalogs, as well as on the Internet.

Employees of ACP

As of March 31, 2005, ACP employed 10 full-time and 23 part-time employees.

Properties

The executive offices and warehouse of ACP are located in approximately 13,317 square feet of leased space at 96 Danbury Road, Ridgefield, CT 06877, subject to a lease, which terminates September 30, 2007.

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Risk Factors

ACP has experienced losses. Future profitability is anticipated, but there is no assurance that ACP will become profitable, or if it does, that it will be able to sustain or increase profitability on a quarterly or annual basis.

For the twelve months ended December 31, 2004 and 2003, ACP had net losses of $317,933 and $764,141, respectively.

ACP may require additional capital in the future, which may not be available. ACP s future capital requirements will depend on many factors, including:

The cost of manufacturing bedding products

Developing new markets for manufactured products

Competing technological and market developments

Existing resources, combined with revenues should enable ACP to maintain its current and planned operations through December 31, 2005. However, changes in plans or other events affecting revenues or operating expenses may cause resources to be expended sooner than expected.

The uncertainty as to ACP s future profitability may make it difficult to secure any required additional financing on acceptable terms, if able to secure additional financing at all. Insufficient funds may require delaying, scaling back or eliminating some or all of ACP s activities.

Any inability to adequately retain or protect our employees, customer relationships and proprietary technology could harm ACP s ability to compete. Future success and ability to compete depends in part upon ACP s employees, customer relationships, proprietary technology and trademarks. Despite its efforts, ACP may be unable to prevent third parties from soliciting its employees, or customers or infringing or misappropriating its intellectual property. ACP s employees, customer relationships and intellectual property may not be adequate to provide a competitive advantage or to prevent competitors from entering the markets for the Company s products and services. Additionally, competitors could independently develop non-infringing technologies that are competitive with, and equivalent or superior to, ACP s products. ACP will monitor infringement and/or misappropriation of its proprietary rights. However, if infringement or misappropriation of its proprietary rights is detected, litigation to enforce these rights could cause ACP to divert financial and other resources away from its business operations.

The departure of certain key personnel could harm the financial condition of the company. Several of our employees are intimately involved in our business and have day-to-day relationships with critical customers and processes. Competition for highly skilled business, product development, marketing and other personnel is intense, and there can be no assurance that the company will be successful in recruiting new personnel or in retaining its existing personnel. A failure to retain the services of these key personnel could have a material adverse effect on ACP s operating results and financial condition.

ACP faces numerous competitors. ACP has many competitors with comparable characteristics and capabilities that compete for the same group of customers. Competitors are competent and experienced and, like ACP, are continuously working to capture market share. These competitors may have greater financial, marketing and other resources. ACP s ability to compete effectively may be adversely affected by the ability of these competitors to devote greater resources to the sales and marketing of their products and services.

Legal Proceedings

None

ACP S MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

ACP s management s discussion and analysis of financial condition and results of operations contain forward-looking statements, which involve risks and uncertainties. ACP s actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in the section entitled Risk Factors of this proxy statement.

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Overview

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. ACP evaluates its estimates and assumptions on an on-going basis. These estimates are based on historical experience and on assumptions that ACP believes to be reasonable under the circumstances. ACP s experience and assumptions form the basis for its judgments about the carrying value of its assets and liabilities that are not readily apparent from other sources. Actual results may vary from what ACP anticipates and different assumptions or estimates about the future could change ACP s reported results. ACP believes the following accounting policies are most critical to it, in that they are important to the portrayal of it s financial statements and they require ACP s most difficult, subjective or complex judgments in the preparation of its financial statements.

Revenue Recognition

ACP recognizes revenue when its products are shipped.

Returns are recognized upon receipt of the products. A provision for warranty costs has not been accrued because, in the opinion of management, warranty costs are not subject to reasonable estimation. Management believes the effects of the foregoing are not material to the financial statements taken as a whole.

Impairment of Long-Lived Assets

In assessing the recoverability of its long-lived assets, ACP must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, ACP may be required to record impairment charges for these assets.

Statement of Operations Data

The following tables set forth certain items in ACP s Statements of Operations for the periods indicated.

Years Ended December 31, 2004 and 2003

	2004	2003	Change	%
Sales	$ 7,714,653	$ 8,266,863	$ (552,210)	(6.7)%
Cost of Sales	$ 4,581,795	$ 5,232,904	$ (651,109)	(12.4)%
Gross Profit	$ 3,132,858	$ 3,033,959	$ 98,899	3.3 %
Operating Expenses	$ 3,439,875	$ 3,772,358	$ (332,483)	(8.8)%
Loss from Operations	$ (307,017)	$ (738,399)	$ (431,382)	(58.4)%
Other Income (Expense)	$ (10,916)	$ (25,742)	$ (14,826)	(57.6)%
Net Loss	$ (317,933)	$ (764,141)	$ (446,208)	(58.4)%

Net Sales decreased 6.7% from $8,266,863 for the twelve months ended December 31, 2003, to $7,714,653 for the twelve months ended December 31, 2004. This was primarily due to a decline in sales to international distributors, which was caused by several factors. First, the European economies were relatively weak, particularly in Germany which is the market served by ACP s largest international distributor. Second, competition and insurance reimbursement systems generally continued to put pressure on pricing for allergen barrier bedding products. And third, newly introduced consumer product testing programs in Germany temporarily put ACP s products at a competitive disadvantage.

Gross Profit increased 3.3% from $3,033,959 for the twelve months ended December 31, 2003, to $3,132,858 for the twelve months ended December 31, 2004. The net impact of price increases and order discounts implemented during the year contributed to gross margin improvement on catalog and web site customer purchases. Primary raw material cost reductions lowered the cost of goods sold on manufactured bedding products. And overall margins benefited from the fact that lower margin international sales accounted for a smaller percentage of total sales.

Selling and General and Administrative Expenses decreased 8.8% from $3,772,358 for the twelve months ended December 31, 2003 to $3,439,875 for the twelve months ended December 31, 2004. Selling Expense declined $132,786, or 12.2%. In 2003, ACP implemented an aggressive new physician marketing program, which included substantial catalog re-design expense, as well as increased catalog distribution to prospective referring physicians. In 2004, the company re-focused physician marketing on referring physicians, resulting in reduced catalog distribution expense. General and Administrative Expense declined $199,697, or 7.4%. Of note was lower expense associated with computer leasing, due to completion of the original lease period on the company s integrated operating system installed in 2001.

Off Balance Sheet Arrangements

None.

Liquidity and Capital Resources

Cash totaled $78,107 at December 31, 2004, compared to $165,714 at December 31, 2003. Net cash used by operating activities was $25, 966 during 2004. During the fourth quarter of 2004, ACP made a payment of short-term borrowings totaling $250,000. Of this amount, $50,000 was provided out of ACP s working capital and $200,000 was provided out of proceeds of borrowings from the stockholder.

Inventories at December 31, 2004 decreased by a net amount of $104,712 or 14.5% to $616,471 compared to $721,183 at December 31, 2003. The net inventory decrease reflects management s adjustment of ordering levels to increase inventory turn rates during the year.

As indicated in the financial statements of ACP included as Exhibit A to this proxy, ACP has incurred losses of $317,933 and $764,141 during the years ended December 31, 2004 and 2003, respectively, resulting in an accumulated deficit of $9,473,103 and stockholders deficit of $4,848,103 at December 31, 2004. In addition, at December 31, 2004, current liabilities exceeded current assets by $4,997,500. These factors, among others, raise substantial doubt as to the Company s ability to continue as a going concern. Management has determined that additional outside financing or a merger with a synergistic partner would be beneficial in alleviating this going concern problem. However, it cannot assure that sufficient financing on acceptable terms will be available. With the merger of ACP and Planet, the combined Company will strive to grow its operations, combine those operations into ACP s Ridgefield, Connecticut facility and develop new markets for Planet s and ACP s products. In addition, the combined Company may also seek additional outside financing. These combined efforts are intended to create a profitable Company with increased liquidity and capital resources to grow the business and remain a going concern. If the Company cannot successfully integrate the two businesses and obtain sufficient financing, the Company may not realize the expected benefits of the merger and eliminate going concern issue for the Company.

Recent Accounting Pronouncements

In November 2004, the FASB issued SFAS No. 151, Inventory Costs, an amendment of ARB No. 43, Chapter 4 (SFAS 151). SFAS 151 clarifies that abnormal inventory costs such as costs of idle facilities, excess freight and handling costs, and wasted materials (spoilage) are required to be recognized as current period charges. The provisions of SFAS 151 are effective for fiscal years beginning after June 15, 2005. The adoption of SFAS 151 is not expected to have a significant impact on the Company s financial position or results of operations.

THE COMPANY S UNAUDITED PRO FORMA FINANCIAL INFORMATION

On March 10, 2005, Planet Technologies, Inc. (Planet) and Allergy Control Products, Inc. (ACP) announced that on March 7, 2005, they had entered into an Agreement and Plan of Merger (Agreement) in which ACP will merge with and become a subsidiary of Planet and for which Planet will issue and deliver to the sole-shareholder of ACP approximately 600,000 shares of Planet common stock (or 300 shares of Planet common stock for each one share of ACP common stock outstanding). As a result, after the closing of the Agreement, the sole-shareholder of ACP will own approximately 22% of the voting shares of Planet. As a condition to and simultaneously with, the effective time of the Merger, Planet shall cause to be paid to Jonathan T. Dawson the sum of $1,500,000 cash in full payment of all indebtedness of ACP to Mr. Dawson,

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its sole-shareholder. Immediately prior to the Merger, Mr. Dawson has advised the Company that he plans to make a $500,000 capital contribution to ACP, which funds will be used to pay termination compensation to an officer of ACP whose employment will be terminated on or prior to the effective time of the Merger.

The Unaudited Pro Forma Condensed Combined Balance Sheet combines the historical balance sheet of ACP and the historical balance sheet of Planet, giving effect to the Merger as if it had been consummated on December 31, 2004. The Unaudited Pro Forma Condensed Combined Statements of Operations for the year ended December 31, 2004, combine the historical statements of operations of Planet and ACP giving effect to the Merger as if it had been consummated on January 1, 2004.

You should read this information in conjunction with:

- accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Statements;
- separate historical financial statements of ACP as of the years ended December 31, 2004 and 2003, included in Exhibit A to this document; and
- separate historical financial statements of Planet as of the years ended December 31, 2004 and 2003, included in Exhibit B to this document.

We present the unaudited pro forma condensed combined financial information for informational purposes only. The pro forma information is not necessarily indicative of what our financial position or results of operations actually would have been had we completed the Merger on December 31, 2004 or on January 1, 2004. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company.

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PLANET TECHNOLOGIES, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of December 31, 2004

	Planet Technologies, Inc.	Allergy Control Products, Inc.	Pro Forma Adjustments	Pro Forma Consolidated
ASSETS				
Current assets:				
Cash and cash equivalents	$ 374,923	$ 78,107	$ (1,500,000) b	$ (1,046,970)
Accounts receivable, less allowance for doubtful accounts of $5,500	3,076	221,699		224,775
Inventories	19,012	616,471		635,483
Other current assets	18,575	209,657		228,232
Total current assets	415,586	1,125,934	(1,500,000)	41,520
Property and equipment, net	101,070	168,621		269,691
Other assets	3,527			3,527
Goodwill			2,798,103 c	2,798,103
Totals	$ 520,183	$ 1,294,555	$ 1,298,103	$ 3,112,841
LIABILITIES AND SHAREHOLDERS EQUITY (DEFICIENCY)				
Current liabilities:				
Current portion of convertible notes payable to shareholder	$ 134,475			$ 134,475
Noninterest bearing notes payable to selling shareholders		$ 4,850,000	$ (4,850,000) b	
Advance from related party	185,000			185,000
Accounts payable	224,520	799,005	100,000 c	1,123,525
Accounts payable, related party		393,873		393,873
Accrued expenses	353,763	73,013		426,776
Current portion of long-term debt		3,819		3,819
Current portion of obligations under capital lease		3,724		3,724
Interest payable	8,543			8,543
Total current liabilities	906,301	6,123,434	(4,750,000)	2,279,735
Convertible notes payable to shareholder, net of current portion	118,282			118,282
Long-term debt, net of current portion		15,348		15,348

Obligations under capital lease, net of current portion		3,876		3,876
Total liabilities	1,024,583	6,142,658	(4,750,000)	2,417,241
Shareholders equity (deficiency):				
Preferred stock				
Series A convertible preferred stock				
Common stock	3,198,296	4,000,000	(4,000,000) c	4,398,296
			1,200,000 c	
Contributed capital		625,000	500,000 a	
			3,350,000 b	
			(4,475,000) c	
Accumulated deficit	(3,702,696)	(9,473,103)	(500,000) a	(3,702,696)
			9,973,103 c	
Total shareholders equity (deficiency)	(504,400)	(4,848,103)	6,048,103	695,600
Totals	$ 520,183	$ 1,294,555	$ 1,298,103	$ 3,112,841

See accompanying notes to unaudited pro forma condensed combined financial statements.

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PLANET TECHNOLOGIES, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Twelve Months Ended December 31, 2004

	Planet Technologies, Inc.	Allergy Control Products, Inc.	Pro Forma Adjustments	Pro Forma Consolidated
Net sales	$1,180,382	$7,714,653		$ 8,895,035
Cost of sales	407,811	4,581,795		4,989,606
Gross profit	772,571	3,132,858		3,905,429
Operating expenses:				
Selling	597,575	947,792		1,545,367
General and administrative	689,109	2,492,083		3,181,192
Total operating expenses	1,286,684	3,439,875		4,726,559
Loss from operations	(514,113)	(307,017)		(821,130)
Other expenses, net	(259,445)	(10,916)		(270,361)
Net loss	$ (773,558)	$ (317,933)		$(1,091,491)
Net loss per share, basic and diluted	$ (0.46)			$ (0.48)
Weighted averages shares outstanding basic and diluted	1,686,559			2,286,559

See accompanying notes to unaudited pro forma condensed combined financial statements.

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(1) DESCRIPTION OF TRANSACTION AND BASIS OF PRESENTATION

On March 7, 2005, Planet Technologies, Inc. (Planet) and Allergy Control Products, Inc. (ACP) entered into an Agreement and Plan of Merger (Agreement) in which ACP will merge with and become a subsidiary of Planet and for which Planet will issue and deliver to the sole-shareholder of ACP approximately 600,000 shares of Planet common stock (or 300 shares of Planet common stock for each one share of ACP common stock outstanding). As a result, after the closing of the Agreement, the sole-shareholder of ACP will own approximately 22% of the voting shares of Planet. As a condition to and simultaneously with, the effective time of the Merger, Planet shall cause to be paid to Jonathan T. Dawson the sum of $1,500,000 cash in full payment of all indebtedness of ACP to Mr. Dawson its sole-shareholder. Due to the nature of the transaction, the business combination will be accounted for under the purchase accounting method as defined by SFAS 141 Business Combinations.

Additionally, in accordance to EITF Consensus 95-19, the value of the shares of Planet s common stock issued totaling $1,200,000 is based on the average market price of $2.00 over a reasonable period of time before and after the two companies have reached agreement on the purchase price and the proposed transaction is announced.

(2) PRO FORMA ADJUSTMENTS

a. To record the ACP s sole-shareholder cash contribution of $500,000 to capital prior to closing for termination benefits for one of the officers of ACP.

b. To record the payment in cash of $1,500,000 for the complete settlement of all indebtedness to the ACP s sole-shareholder.

c. To eliminate ACP s (the acquired company) historical shareholders equity (deficiency) accounts and to record the issuance of 600,000 shares of Planet common stock for the remaining net assets of ACP. The aggregate cost of the transaction is $2,700,000 comprised of a cash payment of $1,500,000 and issuance of stock valued at $1,200,000. The assets and liabilities of ACP had carrying values equal to fair value. The amount of assets acquired net of liabilities assumed totalled $1,897. The costs of completing the transaction are estimated to total approximately $100,000. The aggregate cost of the transaction in excess of the fair value of the net assets acquired is $2,798,103 which will be recorded as goodwill.

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: WHY IS THE COMPANY MERGING WITH ACP?

A: The Company intends to expand its product scope and business operations through its merger with ACP. We believe the Company s acquisition of ACP s business will provide the Company with an operating business complementary with certain of the allergy products that the Company has developed and currently markets, as well as open new markets for the Company s products.

Q: WHAT WILL ACP RECEIVE IN THE MERGER?

A: In the Merger, each share of ACP common stock shall be converted into the right to receive 300 shares of Company common stock. The sole shareholder of ACP currently holds 2,000 shares of ACP common stock, which is convertible into 600,000 shares of Company common stock, or 300 shares of Company common stock for each one share of ACP common stock outstanding.

As a condition to, and simultaneously with, the effective time of the Merger, the Company shall cause to be paid to Jonathan T. Dawson, the sole shareholder of ACP, the sum of $1,500,000 cash in full repayment of all indebtedness of ACP to Mr. Dawson.

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Q: HOW WILL THE COMPANY SHAREHOLDERS BE AFFECTED BY THE MERGER?

A: The Company shareholders will continue to own the same number of shares of the Company common stock that they owned immediately prior to the Merger. Each share of the Company common stock, however, will represent a smaller ownership percentage of a larger company.

Q: WHAT ARE THE MATERIAL UNITED STATES TAX CONSEQUENCES OF THE MERGER TO THE COMPANY SHAREHOLDERS?

A: The Merger standing alone is not expected to result in any material tax consequences to the Company or the Company shareholders for United States income tax purposes.

Q: WHAT SHAREHOLDER VOTES ARE NEEDED TO APPROVE THE MERGER?

A: The affirmative vote of the holders of a majority of the outstanding shares of the Company common stock is required to approve the proposed Agreement and Plan of Merger and the Merger.

Q: WHEN DOES THE COMPANY EXPECT TO COMPLETE THE MERGER?

A: The Company and ACP are working to complete the Merger as quickly as possible. We expect to complete the Merger as soon as reasonably possible after the requisite shareholder votes have been obtained.

Q: ARE THE COMPANY SHAREHOLDERS ENTITLED TO DISSENTERS RIGHTS?

A: If the Merger is approved by the required vote of the Company s shareholders and is not abandoned or terminated, holders of the Company s common stock who did not vote in favor of the Merger and who notify the Company in writing of their intent to demand payment of their shares if the Merger is consummated, may, by complying with Sections 1300 through 1312 of the California Corporations Code, a copy of which is attached hereto as Exhibit D , be entitled to dissenters rights as described therein. The Company s shareholders must notify the Company of their intent to dissent within 30 days of the date that the notice of approval of the Merger is mailed to all the Company s shareholders who did not vote in favor of the Merger.

Q: WHAT DO I NEED TO DO NOW?

A: After carefully reading and considering the information contained in this proxy statement, please complete, sign and date your proxy and return it in the enclosed return envelope as soon as possible, so that your shares may be represented at the annual meeting of the Company shareholders. If you sign, date and return your proxy card but do not include instructions on how to vote your proxy, we will vote your shares IN FAVOR of each proposal described in this proxy statement. You may attend the annual meeting, if you are a Company shareholder and vote your shares in person rather than voting by proxy.

Q: IF MY BROKER HOLDS MY SHARES IN STREET NAME, WILL MY BROKER VOTE MY SHARES FOR ME?

A: Generally your broker will vote your shares only if you provide instructions on how to vote in accordance with the information and procedures provided to you by your broker.

Q: WHAT HAPPENS IF I DO NOT VOTE?

A: If you do not submit a proxy or vote at your annual meeting, your shares will not be counted for the purpose of determining the presence of a quorum and your inaction will have the same effect as a vote against Proposal 1 but may have no effect on the outcome of the other proposals. If you submit a proxy and affirmatively elect to abstain from voting, your shares will be counted for the purpose of determining the presence of a quorum but will not be voted at the annual meeting. As a result, your abstention will have the same effect as a vote against Proposal 1 but will have no effect on the outcome of the other proposals.

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Q: CAN I CHANGE MY VOTE AFTER I HAVE MAILED MY SIGNED PROXY?

A: Yes. You can change your vote at any time before your proxy is voted at the Company s annual meeting. You can do this in one of three ways:

- timely delivery of a valid, later-dated proxy by mail;
- revoking your proxy by written notice to the corporate secretary of the Company; or
- voting in person by written ballot at the Company annual meeting.

If you have instructed a broker to vote your shares, you must follow the directions from your broker on how to change that vote.

Q: ARE THERE ANY RISKS I SHOULD CONSIDER IN DECIDING WHETHER TO VOTE FOR THE PROPOSALS DESCRIBED IN THIS PROXY STATEMENT?

A: We have listed in the section entitled Risk Factors the risks among others that you should consider in deciding whether to vote for Proposal No. 1 described in this proxy statement.

Q: WHOM SHOULD I CALL WITH QUESTIONS?

A: If you have any questions about the Merger or about any of the other proposals described in this proxy statement or the enclosed proxy, you should contact:

Planet Technologies, Inc.
6835 Flanders Drive, Suite 100
San Diego, California 92121
(858) 457-4742
Attention: Scott L. Glenn

You may also obtain additional information about the Company from documents filed with the SEC by accessing EDGAR, the SEC s online filing system at www.sec.gov.

RISK FACTORS ASSOCIATED WITH THE MERGER

An investment in the Company s common stock is subject to many risks. You should carefully consider the risks described below, together with all of the other information included in this proxy statement, including the financial statements and the related notes, before you decide whether to approve the Acquisition. The Company s business, operating results and financial condition could be harmed by any of the following risks. The trading price of the Company s common stock could decline due to any of these risks, and you could lose all or part of your investment.

THE COMPANY MAY NOT REALIZE THE INTENDED BENEFITS OF THE ACQUISITION IF THE COMPANY IS UNABLE TO EXPAND ACP S OPERATIONS AND DEVELOP NEW INNOVATIVE PRODUCTS.

Achieving the benefits of the Merger will depend in part on growing ACP s operations, combining the operations of ACP and the Company, and developing new markets for the Company s and ACP s products. This integration may be difficult and unpredictable because the Company s operations are based in San Diego, California, and ACP s operations are based in Ridgefield, Connecticut. The Company plans to consolidate operations into the Ridgefield facility. If the Company cannot successfully integrate the two businesses, the Company may not realize the expected benefits of the Merger.

THE MERGER WILL RESULT IN SIGNIFICANT COSTS TO THE COMPANY AND ACP, WHETHER OR NOT THE MERGER IS COMPLETED.

The Merger will result in significant costs to the Company and ACP. Transaction costs are estimated to be at least $100,000. These costs are expected to consist primarily of fees for attorneys, accountants, filing fees and financial printers. All of these costs will be incurred whether or not the Merger is completed. In addition,

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if the Agreement and Plan of Merger is terminated under specified circumstances, the Company may be obligated to pay a $150,000 termination fee.

FAILURE TO COMPLETE THE MERGER COULD CAUSE THE COMPANY S STOCK PRICE TO DECLINE.

If the Merger is not completed for any reason, the Company s stock price may decline because costs related to the Merger, such as legal and accounting, must be paid even if the Merger is not completed. In addition, if the Merger is not completed, the Company s stock price may decline to the extent that the current market price reflects a market assumption that the Merger will be completed.

IF THE CONDITIONS TO THE MERGER ARE NOT MET, THE MERGER WILL NOT OCCUR.

Specified conditions must be satisfied or waived to complete the Merger. These conditions are summarized in the section captioned Conditions to Completion of the Merger and are described in detail in the Agreement and Plan of Merger. The Company cannot assure you that each of the conditions will be satisfied. If the conditions are not satisfied or waived, the Merger will not occur or will be delayed and the Company may lose some or all of the intended benefits of the Merger.

THE COMPANY AND ACP MAY WAIVE ONE OR MORE OF THE CONDITIONS TO THE MERGER WITHOUT RESOLICITING SHAREHOLDER APPROVAL FOR THE MERGER.

Each of the conditions to the Company s and ACP s obligations to complete the Merger may be waived, in whole or in part, to the extent permitted by applicable laws, by agreement of the Company and ACP. The board of directors of the Company will evaluate the materiality of any such waiver to determine whether amendment of this proxy statement and resolicitation of proxies is warranted. However, the Company generally does not expect any such waiver to be sufficiently material to warrant resolicitation of the shareholders. In the event that the board of directors of the Company determines any such waiver is not sufficiently material to warrant resolicitation of shareholders, the Company will have the discretion to complete the Merger without seeking further shareholder approval.

SALES OF ACP S PRODUCTS COULD DECLINE OR BE INHIBITED IF CUSTOMER RELATIONSHIPS ARE DISRUPTED BY THE MERGER.

The Merger may have the effect of disrupting customer relationships. ACP s customers or potential customers may delay or alter buying patterns during the pendency of and following the Merger. Customers may defer purchasing decisions as they evaluate the likelihood of successful completion of the Merger. ACP s customers or potential customers may instead purchase products of competitors. Any significant delay or reduction in orders for ACP s products could cause the Company s sales, following the Merger, to decline.

THE COMPANY MAY ENTER INTO SUBSEQUENT AGREEMENTS TO MERGE OR CONSOLIDATE WITH OTHER COMPANIES, AND IT MAY INCUR SIGNIFICANT COSTS IN THE PROCESS, WHETHER OR NOT THE TRANSACTIONS ARE COMPLETED.

The Company may enter into other merger agreements, in addition to the Agreement and Plan of Merger with ACP, in furtherance of the Company s strategy to consolidate with other companies in the allergy market. The Company may not be able to close any mergers on the timetable it anticipates, if at all. The Company may incur significant non-recoverable expenses in these efforts.

THE COMPANY S PROSPECTS FOR OBTAINING ADDITIONAL FINANCING ARE UNCERTAIN AND FAILURE TO ACHIEVE PROFITABILITY OR OBTAIN NEEDED FINANCING WILL AFFECT ITS ABILITY TO PURSUE FUTURE GROWTH, HARM ITS BUSINESS OPERATIONS AND AFFECT ITS ABILITY TO CONTINUE AS A GOING CONCERN.

If the Company is unable to achieve profitability or raise additional debt or equity financing, it will not be able to continue as a going concern. The Company s future capital requirements will depend upon many factors, including development costs of new products, potential acquisition opportunities, maintenance of adequate contract manufacturing agreements, progress of research and development efforts, expansion of marketing and sales efforts and the status of competitive products. Additional financing may not be available in the future on acceptable terms or at all. The Company s history of substantial operating losses could also severely limit the Company s ability to raise additional financing. In addition, given the recent price of its common stock, if the Company raises additional funds by issuing equity securities, additional significant dilution to its shareholders could result.

If the Company is unable to increase sales, decrease costs, or obtain additional equity or debt financing, the Company may be required to close business or product lines, further restructure or refinance its debt or delay, scale back further or eliminate its research and development program. The Company may also need to obtain funds through arrangements with partners or others that may require it to relinquish its rights to certain technologies or potential products or other assets. The Company s inability to obtain capital, or its ability to obtain additional capital only upon onerous terms, could very seriously damage its business, operating results and financial condition.

ISSUING ADDITIONAL SECURITIES AS A MEANS OF RAISING CAPITAL AND THE FUTURE SALES OF THESE SECURITIES IN THE PUBLIC MARKET COULD LOWER THE COMPANY S STOCK PRICE AND ADVERSELY AFFECT ITS ABILITY TO RAISE ADDITIONAL CAPITAL IN SUBSEQUENT FINANCINGS; IMPAIR ITS ABILITY IN NEW STOCK OFFERINGS TO RAISE FUNDS TO CONTINUE OPERATIONS; AND WILL HAVE A SIGNIFICANT DILUTIVE EFFECT ON THE COMPANY S EXISTING SHAREHOLDERS.

The Company intends to rely on debt and equity financings to meet its working capital needs. If the securities that the Company issues in these financings are subsequently sold in the public market, the trading price of its common stock may be negatively affected. As of April 12, 2005, the last reported sale price of the Company common stock was $1.25. If the market price of the Company common stock continues to decrease, The Company may not be able to conduct additional financings in the future on acceptable terms or at all, and its ability to raise additional capital will be significantly limited.

Future sales of the Company s common stock, particularly shares issued upon the exercise or conversion of outstanding or newly issued securities upon exercise of its outstanding options, could have a significant negative effect on the market price of the Company s common stock. These sales might also make it more difficult for the Company to sell equity securities or equity-related securities in the future at a time and price that it would deem appropriate. The Company has agreed to use its best efforts to register shares issued to the sole-shareholder of ACP. When these shares are registered, there will be many more shares that may be sold, which could have a significant negative impact on the market price of the Company s common stock.

Shares issued in connection with the Merger and the conversion or exercise of convertible securities into shares of the Company s common stock will result in substantial dilution to the Company s existing shareholders. In order to consummate the merger with ACP, the Company intends to issue approximately 600,000 shares of common stock to the sole-shareholder of ACP.

THE COMPANY S STOCK PRICE HAS BEEN VOLATILE AND HAS EXPERIENCED SIGNIFICANT DECLINE, AND IT MAY CONTINUE TO BE VOLATILE AND CONTINUE TO DECLINE.

In recent years, the stock market in general, and the market for shares of small capitalization technology stocks in particular, have experienced extreme price fluctuations. These fluctuations have often negatively affected small cap companies such as the Company, and may impact its ability to raise equity capital. Companies with liquidity problems also often experience downward stock price volatility. The Company believes that factors such as announcements of developments relating to its business (including any financings or any resolution of liabilities), announcements of technological innovations or new products or enhancements by the Company or its competitors, sales by competitors, sales of significant volumes of the Company s common stock into the public market, developments in its relationships with customers, partners, lenders, distributors and suppliers, shortfalls or changes in revenues, gross margins, earnings or losses or other financial results that differ from analysts expectations, regulatory developments and fluctuations in results of operations could and have caused the price of the Company common stock to fluctuate widely and decline over the past

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three or more years during the technology recession. The market price of the Company common stock may continue to decline, or otherwise continue to experience significant fluctuations in the future, including fluctuations that are unrelated to the Company s performance.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF THE ACP MERGER. UNLESS MARKED TO THE CONTRARY, PROXIES RECEIVED FROM SHAREHOLDERS WILL BE VOTED IN FAVOR OF PROPOSAL 1.

PROPOSAL 2
ELECTION OF DIRECTORS

There are five (5) nominees for the five Board positions presently authorized by the Company s current Bylaws. Each director to be elected will hold office until the next Annual Meeting of Shareholders and until his/her successor is elected and has qualified, or until such director s earlier death, resignation or removal.

Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the nominees named below, subject to the discretionary power to cumulate votes. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as management may propose. Each person nominated for election has agreed to serve if elected and management has no reason to believe that any nominee will be unable to serve.

In any election of directors, the candidates receiving the highest number of affirmative votes cast at the meeting will be elected directors of the Company up to the authorized number of positions on the Board.

Nominees

The names of the nominees and certain information about each person is set forth below:

Name	Age	Principal Occupation
Scott L. Glenn	54	Chairman of the Board of Directors, President and Chief Executive Officer and Business Executive
Eric B. Freedus	55	Director, Attorney
H.M. Busby	66	Director, Private Investor
Michael Trinkle	51	Business Executive
Ellen M. Preston	49	Business Consultant

All of the nominees are currently Directors of the Company. Directors of the Company are elected annually and there are no agreements with respect to nominating or electing any director in the future.

Scott L. Glenn was elected to the Board and appointed Chairman, President and Chief Executive Officer of Planet in November 2004. Since October 2000 he, or an affiliated entity controlled by him, has been the Manager and a member of Allergy Free, LLC. Mr. Glenn is also the Managing Partner of Windamere Venture Partners and its investment funds (Windamere I, LLC, Windamere II, LLC, and Windamere III, LLC), and has been since 1996. He also currently serves as a director and founder of GlobalEdge, Inc., Kanisa Pharmaceuticals, Cadence Pharmaceuticals, Veras Pharmaceuticals, Somaxon Pharmaceuticals, and Conception Technologies through SR Technology Associates. Previously, from 1988 until 1995, Mr. Glenn served as President/ CEO, and then Chairman of Quidel Corporation, a leading point of care diagnostic business. Before serving in those capacities from 1983 through 1988, Mr. Glenn was vice president of development/operations of Quidel. From 1984 to 1992, Mr. Glenn served in numerous management positions, including Division/ General Manager at Allergan Pharmaceuticals, Inc. Mr. Glenn has a Bachelor of Science degree in Finance and Accounting from California State University at Fullerton.

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Eric B. Freedus was elected to the Board in January 2005. Mr. Freedus has been an attorney in private practice since 1974 and is currently the president of the law firm of Frank and Freedus, APC. Mr. Freedus currently focuses his law practice in the area of special education litigation. Mr. Freedus received his undergraduate degree from the State University of New York at Buffalo in 1971 and his law degree from the University of Toledo in 1974.

H. M. Mac Busby has been a director of the Company since August 1997 when he was elected by the members of the Board of Directors to fill a vacancy on the Board. Mr. Busby was President and Chief Executive Officer and Chief Financial Officer of the Company from February 2003 until November 2004. In May 2003, Mr. Busby was appointed Secretary of the Company. Mr. Busby began his career in 1966 at Wisconsin Centrifugal, Inc. which included the position of Manager of Industrial and Public Relations. Mr. Busby has also served as Vice President of Human Relations and Administration for MCA Financial, Inc., a subsidiary of MCA, Inc. Mr. Busby was Chairman of Sun Protective International and Sun-Gard USA. Mr. Busby earned his B.S. in Business Administration from Indiana University.

Michael A. Trinkle currently serves as President of Conception Technologies, LP, and has held the position since 1993. Mr. Trinkle was also a member of Allergy Free, LLC, and served as its President from August 2001 to March 31, 2004. During the 15 years prior to joining Conception Technologies, LP, Mr. Trinkle was employed by Allergan Pharmaceuticals where he held management positions in the areas of operations, sales, marketing, and quality assurance. Mr. Trinkle was elected to the Board in November 2004.

Ellen M. Preston was a member of Allergy Free, LLC, since October 2000. In addition to being a member of Allergy Free, LLC, since 1998, Ms. Preston has been a business consultant advising medical device companies in the areas of strategic market assessment, business development, brand development and strategy, and communications. From 2000 until 2002, Ms. Preston was a venture partner with Windamere Venture Partners. While with Windamere Venture Partners, Ms. Preston was a founder of Dexcom, Inc., a corporation engaged in the development of an implantable glucose sensor, and founded Miramedica, Inc. a company specializing in computer-aided detection. Ms. Preston served as interim president of Miramedica, Inc., which was sold to Kodak in 2003. From 1997-1998, Ms. Preston was Vice President of Sales and Marketing for Amira Medical, Inc. She held a similar position with Biopsys Medical, Inc. from 1996-1997. Ms. Preston was elected to the Board in November 2004.

Board Committees and Meetings

During 2004, the Board of Directors held five (5) meetings. The Board of Directors has an Audit Committee and a Compensation Committee. In addition, in 2004 the Company s entire current Board acted as the Nominating Committee and nominated Scott Glenn, Michael Trinkle and Ellen Preston to serve as directors with Robert Petcavich and H. Mac Busby in compliance with the Asset Purchase Agreement dated March 18, 2004, and entered into by and between the Company and Allergy Free, LLC. On January 18, 2005, Robert Petcavich tendered his resignation as a director. On that same date, at a meeting of the Board of Directors, Mr. Eric B. Freedus was elected as a director of the Company.

On November 17, 2004, Michael Trinkle and H. Mac Busby were approved as Audit Committee members. The Audit Committee is responsible for the engagement of the Company s independent registered public accounting firm, consulting with that firm concerning the audit plan and reviewing the comments and recommendations resulting from their audit. The current Audit Committee Charter was adopted on January 25, 2005.

The Audit Committee has reviewed and discussed the audited financial statements with management and it has discussed with the independent registered public accounting firm the matters required to be discussed by SAS 61. Furthermore, the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1 and has discussed with the independent registered public accounting firm their independence and based on the review of the financial statements and discussions with management and the independent registered public accounting firm, it recommended to the Board of Directors that the audited financial statements be included in the annual report on Form 10-KSB filed with the SEC on March 31, 2005.

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On November 17, 2004, Ellen Preston and Robert Petcavich were approved as Compensation Committee members. Upon the resignation of Robert Petcavich and the election of Eric Freedus as a director, Mr. Freedus was named to replace Dr. Petcavich as a member of the Compensation Committee. The Compensation Committee is responsible for reviewing the compensation and benefits of the Company s executive officers, making recommendations to the Board of Directors concerning the compensation and benefits of the Company s executive officers and administering the Company s Stock Incentive Plans.

On November 17, 2004, Scott Glenn and Michael Trinkle were approved as Nominating Committee members The Nominating Committee will be responsible for identifying, evaluating, and recommending candidates to serve as directors of the Company and to serve as a focal point for communication between such candidates, the Board, and the Company s management and will make recommendations to the Board of Directors concerning the nomination of candidates to be elected by the Company s shareholders as a director of the Company.

On January 25, 2005, the Company adopted a code of ethics for its officers and other key personnel involved in the Company s operations.

During 2004, each Board member attended 75% or more of the aggregate of the meetings of the Board, and of the committees on which he or she served, held during the period for which he or she was a director or committee member, respectively.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act (Section 16(a)) requires the Company s directors and executive officers, and persons who own more than ten percent (10%) of a registered class of the Company s equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors, and greater than ten percent (10%) shareholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company s knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2004, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent (10%) beneficial owners were filed. However, certain of the filings were late:

AF Partners, LLC, filed a Form 5 on January 18, 2005, to reflect stock issuance pursuant to the Asset Purchase Agreement between the Company and Allergy Free, dated November 30, 2004.

Ellen Preston filed a Form 5 on January 18, 2005, to reflect stock issuance pursuant to the Asset Purchase Agreement between the Company and Allergy Free, dated November 30, 2004.

Leslie White filed a Form 5 on January 18, 2005, to reflect stock issuance pursuant to the Asset Purchase Agreement between the Company and Allergy Free, dated November 30, 2004.

Mac Busby filed a Form 5 on January 20, 2004, to reflect the issuance of stock option grant on May 19, 2003.

Ronald Sunderland filed a Form 5 for the fiscal year ended December 31, 2004, to reflect his no longer being a director and therefore no longer subject to Section 16 reporting requirements.

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ADDITIONAL INFORMATION

Management

Set forth below is information regarding management of the Company.

Name	Age	Position
Scott L. Glenn	55	Chairman of the Board of Directors, President and Chief Executive Officer and Business Executive
Leslie White	52	Chief Financial Officer
Bret Megargel	36	Vice President

For biographical information of Scott L. Glenn please refer to the section of this proxy listing the nominees for the board of directors of the Company.

Leslie White has been the Controller of Allergy Free, LLC since late 2000 and is also a shareholder of the Company. Prior to joining Allergy Free, LLC, Ms. White was Vice President and Controller of several privately held companies in the San Diego area and from 1990-1994 served as the Finance Manager and Controller of Quidel Corporation, a publicly-held company. Ms. White worked for the firm of Ernst & Young and was awarded a CPA certificate in 1989. Ms. White has an MBA from San Francisco State University.

Bret Megargel most recently served from 2002 to 2004 as Vice President of Business Development for Avera Pharmaceuticals, Inc., a private pharmaceutical development company. Mr. Megargel is a co-founder of Avera, and during his tenure led the successful licensing or acquisition of three novel pharmaceutical products from global pharmaceutical companies with combined deal value of greater than US$100 million. Prior to the founding of Avera, Mr. Megargel served as a Venture Partner for Windamere Venture Partners, from 1999 to 2003, during his tenure, he served as Vice President of Business Development for MD Edge, Inc., and Director of Business Development for Converge Medical, Inc., and was a member of the founding team of Dexcom, Inc. From 1991 to 1996, Mr. Megargel served as a consultant for Marketing Corporation of America, where he was a case manager for product development, licensing and acquisition, and marketing strategy projects for market leading healthcare clients. Mr. Megargel holds a B.A. in Economics from Dartmouth College, and an M.B.A. from the Stanford University Graduate School of Business.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company s Stock as of December 31, 2004 by: (i) each director and nominee for director; (ii) each of the Executive Officers named in the Summary Compensation Table; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than five percent (5%) of any class of the Company s Stock, based upon information reported to the Company or publicly available reports filed with the SEC.

		Beneficial Ownership	
Title of Class	**Beneficial Owner**	**Number of Shares(1)**	**Percentage of Class Owned(2)**
Common	Scott L. Glenn(3) 6402 Cardeno Drive La Jolla, CA 92037	995,942	45.7%
Common	Eric B. Freedus(4) 1202 Ketner Blvd., Ste. 6000 San Diego, CA 92101	2,153	0.1%
Common	H.M. Busby(5) 3852 Alameda Place San Diego, CA 92103	7,012	0.3%
Common	Michael A. Trinkle(5) 3495 Via Zara Court Fallbrook, CA 92028	55,873	2.6%
Common	Ellen Preston(5) 1825 Sheridan Avenue San Diego, CA 92103	26,565	1.2%
Common	Leslie White(6) 18479 Calle La Serra Rancho Santa Fe, CA 92091	9,312	0.4%
Common	All executive officers and directors as a group	1,096,857	50.5%
Common	William and Lisa Barkett 7544 Eads #F La Jolla, CA 92037	308,456	14.1%
Common	J. Roberts Fosberg 2440 Toyon Road Healdsburg, CA 95448	158,382	7.3%
Common	Windamere III, LLC(7) 6402 Cardeno Dr. La Jolla, CA 92037	200,000	9.2%

(1) This table is based upon information supplied by officers, directors and principal shareholders and Schedules 13D and 13G filed with the Securities and Exchange Commission (the SEC). Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the shareholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned.

(2) Percentage ownership is based upon the shares outstanding on March 11, 2005.

(3) Includes 770,806 shares owned by AF Partners, LLC, which is controlled by Mr. Glenn and 200,000 shares owned by Windamere III, LLC, over which Mr. Glenn shares control (see Note (5) below). Does not include options to purchase 75,407 shares which begin vesting on November 30, 2005. Does not include 25,000 shares issuable upon exercise of stock options which expire on January 25, 2015, and which begin vesting on January 25, 2006.

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(4) Does not include 500 shares issuable upon exercise of stock options which expire on January 18, 2015, and which begin vesting on January 18, 2006, or 10,000 shares issuable upon exercise of stock options which expire on January 25, 2015, and which begin vesting on January 25, 2006.

(5) Does not include 500 shares issuable upon exercise of stock options which expire on November 17, 2014, and which begin vesting on November 17, 2005, or 10,000 shares issuable upon exercise of stock options which expire on January 25, 2015, which begin vesting on January 25, 2006.

(6) Does not include 30,000 shares issuable upon exercise of stock options which expire on January 31, 2015, and which begin vesting on January 31, 2006.

(7) Windamere III, LLC, is under the joint control of Mr. Glenn and St. Paul Traveler s Companies, Inc., its affiliates Split-Rock Partners, LLC, and St. Paul Fire and Marine Insurance Company, whose business address is 385 Washington Street, St. Paul, Minnesota 55102.

EXECUTIVE COMPENSATION

Compensation of Directors and Executive Officers

Directors and Executive Officers may be granted options to purchase Common Stock under the Company s 1995 Stock Option Plan (1995 Option Plan) and the 2000 Stock Incentive Plan (2000 Incentive Plan). As of March 2005, the Board approved an amendment to the 2000 Incentive Plan to increase the authorized number of shares to 350,000 shares, which will be submitted to the shareholders at the next meeting of shareholders.

During 2004, options to purchase shares of the Company s Common Stock were granted to the Company s directors as follows: (a) on November 17, 2004, the Board granted stock options to Mr. Busby, Dr. Petcavich, Mr. Trinkle and Ms. Preston to purchase 500 shares of Planet common stock at an exercise price of $2.50 per share, and (b) on November 30, 2004, the board granted stock options to Scott Glenn to purchase 100,543 shares of Planet common stock at an exercise price of $3.50 per share.

During 2005, the Board granted stock options to (a) Eric Freedus to purchase 10,500 shares of Planet common stock at an exercise price of $3.00 per share as compensation for serving as a director, (b) Mr. Busby, Mr. Trinkle and Ms. Preston to purchase 10,000 shares of Planet common stock at an exercise price of $3.00 per share as compensation for serving as a directors, (c) Ms. White and Mr. Megargel to purchase 30,000 shares of Planet common stock at an exercise price of $3.00 per share as compensation for serving as officers of the Company, and (d) Mr. Glenn to purchase 25,000 shares of Planet common stock at an exercise price of $3.00 per share as compensation for serving as an officer of the Company.

Directors are reimbursed for reasonable travel expenses incurred in connection with attendance at Board meetings, or any committee meetings, or otherwise in connection with their service as a director.

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Compensation of Executive Officers

The following table sets forth, for the fiscal years ended December 31, 2003, 2002, and 2001 certain compensation awarded or paid to, or earned by the Company s Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Securities Underlying Options (#)	Other
Robert J. Petcavich	2004	$	$	500(1)	$
Former Chairman of the Board	2003		$		$ 47,180(3)
and Chief Technical Officer	2002	$ 170,038	$		$ 3,241(2)
H.M. Busby	2004	$	$	500(1)	$ 29,630(7)
Former Chief Executive Officer,	2003	$	$		$ 31,677(3)
President and Chief Financial Officer	2002	$	$		$
Richard C. Bernier	2004	$	$		
Former Chief Executive Officer	2003		$		$ 19,125(3)
and President	2002	$ 117,713	$		$
Scott Glenn	2004	$	$	100,543(4)	$
Chairman, Chief Executive Officer	2003	$	$		$
and President	2002	$	$		$
Leslie White(6)	2004	$ 52,031(5)	$		$
Secretary and Chief Financial Officer	2003	$ 51,445(5)	$		$
	2002	$ 51,015(5)	$		$

(1) Represents options granted November 17, 2004, for compensation as a director.

(2) Represents auto expense reimbursement paid by the Company.

(3) Represents consulting fees paid for their services to the Company in 2003.

(4) Represents an option granted on November 30, 2004, with an exercise price of $3.50 per share. 25,136 of the Options granted are currently exercisable, and the remaining options to purchase 75,407 shares begin vesting on November 30, 2005.

(5) Represents compensation paid by Allergy Free, LLC, prior to December 1, 2004, and by Planet after that date.

(6) Ms. White is employed by Conception Technologies, L.P., a California limited partnership (Conception), and for the past three years has devoted approximately fifty percent (50%) of her work time to the business of the Allergy Free (and after December 1, 2004 to the business of Planet Technologies, Inc.) Allergy Free (and now Planet) reimbursed Conception for approximately fifty percent (50%) of the compensation Conception pays to Ms. White as reflected in the table.

(7) Represents consulting fees paid to Mr. Busby for his services in 2004.

Stock Option Grants and Exercises

The Company s Executive Officers are eligible for grants of options under the Company s 1995 Stock Option Plan (the 1995 Option Plan) and the 2000 Stock Incentive Plan (the 2000 Incentive Plan). As of December 31, 2004, there were no shares available for grant under the Option Plans, which was expanded to 100,000 in November 2004.

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The following table sets forth information with respect to the number of securities underlying unexercised options held by the Executive Officers as of December 31, 2004, and the value of unexercised in-the-money options (i.e., options for which the current fair market value of the Common Stock underlying such options exceeds the exercise price):

Name	No. of Securities Underlying Options	Percent of Total Options Granted to Employees	Exercise Price ($/share)	Expiration Date
Scott Glenn	100,543	100%	$ 3.50	November 30, 2014

Aggregated Option Exercises Last Fiscal Year and Fiscal Year End Option Values

Name	Shares Acquired on Exercise (#)	Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year End(2)		Value of Unexercised In-the-Money Options at Fiscal Year End ($)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
R. Petcavich	1,000	-0-	250	500	$ 0	$ 0
H. M. Busby	2,000	-0-	360	500	$ 0	$ 0
Scott Glenn	-0-	-0-	25,136	75,407	$ 0	$ 0

(1) Calculated based on the estimated fair market value of the Company s Common Stock as of December 31, 2004, less the exercise price payable upon the exercise of such options. Such estimated fair market value as of December 31, 2004, was $.70, the last transaction price posted at the close of trading on December 31, 2004.

(2) The certain former directors of Planet surrendered Out of the Money stock options including Robert J. Petcavich, 3,294; and H.M. Busby 964.

Equity Compensation Plan Information

	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options,	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities

Plan Category	Warrants and Rights		and Rights	reflected in column (a))
Equity compensation plans approved by security holders	107,413	$	8.193	None(2)
Equity compensation plans not approved by security holders(1)	N/A		N/A	N/A
Total	107,413	$	8.193	None(2)

(1) The Company does not have any equity compensation plans that have not been approved by Shareholders.

(2) As of March 31, 2005, the Company has granted options exceeding the number of shares authorized by the shareholders under the 2000 Stock Incentive Plan by 130,913 shares. The Board has approved an amendment to the plan to increase the authorized number of shares to 350,000 shares, which is being submitted to the shareholders as Proposal 3 of this Proxy Statement.

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DESCRIPTION OF EMPLOYEE BENEFIT PLANS

2000 Stock Incentive Plan

Planet s 2000 Stock Incentive Plan was approved by Planet s shareholders at its annual meeting of shareholders on May 1, 2000. The Board of Directors reserved 500,000 shares of common stock for issuance under the 2000 Plan, together with any remaining shares of common stock eligible for issuance under the 1995 Stock Option plan which expire unexercised. A committee consisting of Planet s Board of Directors or appointed Board members has the sole discretion to determine under which plan stock options and bonuses may be granted.

The purpose of the 2000 Incentive Plan is similar to that of the 1995 Plan, which was to attract and retain qualified personnel, to provide additional incentives to employees, officers, directors and consultants of the Company and to promote the success of the Company s business. As was the case under the 1995 Plan, under the 2000 Plan, Planet may grant or issue incentive stock options and non-statutory stock options to eligible participants, provided that incentive stock options may only be granted to employees of Planet. The 2000 Stock Incentive Plan also allows shares of common stock to be issued under a Stock Bonus Program through direct and immediate issuances. Similar to stock options granted under the Plan, stock bonus awards may be subjected to a vesting schedule determined by the Board of Directors. Option grants under both plans are discretionary. Options granted under both plans are subject to vesting as determined by the Board, provided that the option vests as to at least 20% of the shares subject to the option per year. The maximum term of a stock option under both plans is ten years, but if the optionee at the time of grant has voting power over more than 10% of the Company s outstanding capital stock, the maximum term is five years under both plans. Under both plans if an optionee terminates his or her service to Planet, such optionee may exercise only those option shares vested as of the date of termination, and must affect such exercise within the period of time after termination set forth in the optionee s option. The exercise price of incentive stock options granted under both plans must be at least equal to the fair market value of the Common Stock of the Company on the date of grant. Under both plans the exercise price of options granted to an optionee who owns stock possessing more than 10% of the voting power of Planet s outstanding capital stock must equal at least 110% of the fair market value of the common stock on the date of grant. Payment of the exercise price may be made in cash, by delivery of other shares of the Company s common stock or by any other form of legal consideration that may be acceptable to the Board.

401(k) Plan

The Company provides a defined contribution 401(k) savings plan (the 401(k) Plan) in which all full-time employees of the Company are eligible to participate. Eligible employees are permitted to contribute pre-tax salary to the 401(k) Plan subject to IRS limitations. Company contributions to the 401(k) Plan are at the discretion of the Board of Directors. There have been no Company contributions to the 401(k) Plan in 2004 or 2003.

EMPLOYMENT AGREEMENTS AND CHANGE IN CONTROL ARRANGEMENTS

The Company has entered into an employment agreement with Scott L. Glenn as President/ CEO and Chairman of the Board of the Company for a three-year period, which expires on November 29, 2007, The Company agrees to pay Mr. Glenn a salary of $100 per month (plus healthcare and other benefits) until it is determined by the Board that the Company could afford to pay compensation comparable to CEOs of other similar companies. In exchange for foregoing a salary, the Company granted to Mr. Glenn stock options exercisable at the then fair market value at such time as may be required to maintain the aggregate number of stock options granted to Mr. Glenn at an amount not less than five (5%) percent of the issued and outstanding stock of the Company (on a fully diluted basis) during his three year term of employment.

The Company has entered into a Consulting Agreement with Dr. Petcavich pursuant to which he retains the 500 options granted to him as a director plus an hourly rate to be determined.

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Prior to November 30, 2004 the Company had an agreement with H.M. Busby whereby the Company had agreed to pay Mr. Busby $100 per hour for work he performed on behalf of the Company.

In January 2005, the Company agreed to employ Bret Megargel as Vice President of Marketing and Business Development at an annualized salary of $96,000. In March 2005, Mr. Megargel s annual salary was increased to $192,000. Mr. Megargel was also issued 30,000 stock options under the 2000 Stock Option Plan.

If the Merger is consummated, the Company intends to enter into an employment agreement with Edward A. Steube to serve as President of the Company s ACP subsidiary at a base salary of $200,000 per year and grant to Mr. Steube options to purchase up to the greater of 3% of the outstanding common stock of the Company or 100,000 common stock shares.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On November 30, 2004, Planet acquired all of the assets of Allergy Free, LLC, which is the historical business described in this 10-KSB for approximately 1.65 million shares of Planet stock (after giving effect to the reverse stock split), a convertible note of $274,300, and assumption of debt. The transaction was completed pursuant to an Asset Purchase Agreement between Planet and Allergy Free, LLC. (Agreement) As a result of the acquisition, Allergy Free s historical financial information is included in the consolidated financial results of Planet. Allergy Free, LLC, was and is controlled by Scott Glenn, who became Planet s Chairman, President and CEO.

During the period from November 30, 2004, through January 10, 2005, Planet has sold approximately 314,000 shares to investors, pursuant to subscription agreements and in reliance upon an exception from registration provided under Regulation D. 200,000 of the shares were sold to a fund controlled by Scott Glenn.

Since January 1, 2004, the Company has issued and sold 4,500 shares in connection with the exercise of certain stock options by current and former directors of the Company.

Mr. Freedus requested to be named a director and the Company agreed to appoint Mr. Freedus as a director based upon his and his family s share holdings in Planet and the Company s evaluation of Mr. Freedus background and qualification to serve as a director. There are no arrangements or understandings between Mr. Freedus and any other persons regarding how long Mr. Freedus will continue to serve as a director.

Over the previous two (2) year period, there has been no transaction or proposed transaction between the Company and Mr. Freedus.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOR OF THE SLATE OF CANDIDATES FOR THE BOARD OF DIRECTORS.

PROPOSAL 3

AMENDMENT TO THE 2000 STOCK OPTION PLAN

Introduction

Subject to Shareholder approval, the Company plans to amend its 2000 Stock Option Plan (the 2000 Plan) to increase the number of shares of Common Stock issuable under the 2000 Plan from 100,000 shares to 350,000 shares. The purpose behind amending the plan is to allow the Company to retain the services of qualified individuals as directors, officers, employees, agents, consultants and independent contractors of the Company. An amendment to the Plan will allow the Company to retain the services of the current Board of Directors and executive officers of the Company and Edward J. Steube as President/ CEO of ACP, as a subsidiary of the Company, and be able to use such shares in the future for other similar agreement with other directors and selected employees, officers, agents, consultants and independent contractors of the Company.

The Company makes no guarantee as to the tax consequences described below with respect to the grant or exercise of an option, or sale of the stock covered by an option.

Description of the 2000 Plan, as Amended

The number of shares of Common Stock with respect to which awards may be granted pursuant to the 2000 Plan will be sufficient to accommodate the retention of the current Board of Directors and executive officers of the Company and of Edward J. Steube as President/ CEO of ACP, as a subsidiary of the Company, and possibly, in the future other key employees, officers and directors. Shares issuable under the 2000 Plan may be either treasury shares or authorized but unissued shares. The number of shares available for issuance will be subject to adjustment to prevent dilution in the event of stock splits, stock dividends or other changes in the capitalization of the Company.

Subject to compliance with Rule 16b-3 of the Securities Exchange Act of 1934 (the Exchange Act), the 2000 Plan shall be administered by the Board of Directors of the Company (the Board) or, in the event the Board shall appoint and/or authorize a committee of two or more members of the Board to administer the 2000 Plan, by such committee (the Plan Administrator). Except for the terms and conditions explicitly set forth in the 2000 Plan, and subject to applicable provisions of the Internal Revenue Code of 1986, as amended (the Code) the Plan Administrator shall have the authority, in its discretion, to determine all matters relating to the options to be granted under the 2000 Plan, including, without limitation, selection of whether an option will be an incentive stock option or a nonqualified stock option, selection of the individuals to be granted options, the number of shares to be subject to each option, the exercise price per share, the timing of grants and all other terms and conditions of the options.

Options granted under the 2000 Plan may be incentive stock options (Incentive Options) within the meaning of Section 422 of the Code or stock options which are not incentive stock options (Non-Incentive Options and, collectively with Incentive Options, hereinafter referred to as Options). Each Option may be exercised in whole or in part; provided, that only whole shares may be issued pursuant to the exercise of any Option. Subject to any other terms and conditions herein, the Plan Administrator may provide that an Option may not be exercised in whole or in part for a stated period or periods of time during which such Option is outstanding; provided, that the Plan Administrator may rescind, modify, or waive any such limitation (including by the acceleration of the vesting schedule upon a change in control of the Company) at any time and from time to time after the grant date thereof. During an optionee s lifetime, any Incentive Options granted under the 2004 Plan are personal to such optionee and are exercisable solely by such optionee.

The Plan Administrator can determine at the time the Option is granted in the case of Incentive Options, or at any time before exercise in the case of Non-Incentive Options, that additional forms of payment will be permitted. To the extent permitted by the Plan Administrator and applicable laws and regulations (including, without limitation, federal tax and securities laws and regulations and state corporate law), an Option may be exercised by:

(a) delivery of shares of Common Stock of the Company held by an optionee having a fair market value equal to the exercise price, such fair market value to be determined in good faith by the Plan Administrator;

(b) delivery of a properly executed notice of exercise, together with irrevocable instructions to a broker, all in accordance with the regulations of the Federal Reserve Board, to promptly deliver to the Company the amount of sale or loan proceeds to pay the exercise price and any federal, state, or local withholding tax obligations that may arise in connection with the exercise; or

(c) delivery of a properly executed notice of exercise, together with instructions to the Company to withhold from the shares of Common Stock that would otherwise be issued upon exercise that number of shares of Common Stock having a fair market value equal to the option exercise price.

To the extent permitted by applicable law, the Plan Administrator may also permit any participant to pay the option exercise price upon exercise of an Option by delivering a full-recourse, interest bearing promissory note payable in one or more installments and secured by the purchased shares. The terms of any such promissory note (including the interest rate and the terms of repayment) shall be established by the Plan Administrator in its sole discretion. In no event may the maximum credit available to the participant exceed the sum of (i) the aggregate option exercise price (less the par value of those shares) plus (ii) any federal, state and local income and employment tax liability incurred by the participant in connection with the option exercise.

Upon a merger or consolidation in which securities possessing more than 25% of the total combined voting power of the Company s outstanding securities are transferred to a person different from the person holding those securities immediately prior to such transaction, the sale, transfer or other disposition of all or substantially all of the Company s assets in complete liquidation or dissolution of the Company the sale, transfer or other disposition of all or substantially all of the Company s assets to an unrelated entity, or a change in the identity of more than three (3) directors over a two-year period each, a (Corporate Transaction), any award carrying a right to exercise that was not previously exercisable shall become fully exercisable, the restrictions, deferral limitations and forfeiture conditions applicable to any other award granted shall lapse and any performance conditions imposed with respect to awards shall be deemed to be fully achieved. Notwithstanding the foregoing, any Option granted to an employee shall not become fully vested until such time as the employee experiences an involuntary termination of employment (other than on account of misconduct).

Incentive Options granted under the 2000 Plan may not be transferred, pledged, mortgaged, hypothecated or otherwise encumbered other than by will or under the laws of descent and distribution, except that the Plan Administrator may permit transfers of awards for estate planning purposes if, and to the extent, such transfers do not cause a participant who is then subject to Section 16 of the Exchange Act to lose the benefit of the exemption under Rule 16b-3 for such transactions.

Additional rules apply under the Code to the grant of Incentive Options. For instance an Incentive Option must be exercised within 10 years after the date of grant, unless granted to an individual owning more than 10% of the Company s stock, in which case the exercise period may not exceed five (5) years. Similarly, an Incentive Option must be granted at an exercise price that equals or exceeds 100% of the fair market value of the underlying stock at the time of grant, a threshold that is increased to 110% of such fair market value in the case of a grant to an individual owning more than 10% of the Company s stock.

For federal income tax purposes, the grant to an optionee of a Non-Incentive Option generally will not constitute a taxable event to the optionee or to the Company. Upon exercise of a Non-Incentive Option (or, in certain cases, a later tax recognition date), the optionee will recognize compensation income taxable as ordinary income, measured by the excess of the fair market value of the Common Stock purchased on the exercise date (or later tax recognition date) over the amount paid by the optionee for such Common Stock, and will be subject to federal income tax withholding. Upon recognition of income by the optionee, the Company may claim a deduction for the amount of such compensation. The optionee will have a tax basis in the Common Stock purchased equal to the amount paid plus the amount of ordinary income recognized upon exercise of the Non-Incentive Option. Upon the subsequent sale of the Common Stock received upon exercise of the Non-Incentive Option, an optionee will recognize capital gain or loss equal to the difference between the amount realized on such sale and his tax basis in the Common Stock, which may be long-term capital gain or loss if the optionee holds the Common Stock for more than one year from the exercise date.

For federal income tax purposes, in general, neither the grant nor the exercise of an Incentive Option will constitute a taxable event to the optionee or to the Company, assuming the Incentive Option qualifies as an incentive stock option under Code §422. If an optionee does not dispose of the Common Stock acquired upon exercise of an Incentive Option during the statutory holding period, any gain or loss upon subsequent sale of the Common Stock will be long-term capital gain or loss, assuming the shares represent a capital asset in the optionee s hands. The statutory holding period is the later of two years from the date the Incentive Option is granted or one year from the date the Common Stock is transferred to the optionee pursuant to the exercise of the Incentive Option. If the statutory holding period requirements are satisfied, the Company may not claim any federal income tax deduction upon either the exercise of the Incentive Option or the subsequent sale of the Common Stock received upon exercise thereof. If the statutory holding period requirement is not satisfied,

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the optionee will recognize compensation income taxable as ordinary income on the date the Common Stock is sold (or later tax recognition date) in an amount equal to the lesser of (i) the fair market value of the Common Stock on that date less the amount paid by the optionee for such Common Stock, or (ii) the amount realized on the disposition of the Common Stock less the amount paid by the optionee for such Common Stock; the Company may then claim a deduction for the amount of such compensation income.

The federal income tax consequences summarized hereinabove are based upon current law and are subject to change.

The Board may amend, alter, suspend, discontinue or terminate the 2000 Plan at any time, except that any such action shall be subject to shareholder approval at the annual meeting next following such Board action if such shareholder approval is required by federal or state law or regulation or the rules of any exchange or automated quotation system on which the Common Stock may then be listed or quoted, or if the Board of Directors otherwise determines to submit such action for shareholder approval. In addition, no amendment, alteration, suspension, discontinuation or termination to the 2000 Plan may materially impair the rights of any participant with respect to any vested Option granted before amendment without such participant s consent. Unless terminated earlier by the Board, the 2000 Plan shall terminate upon the earliest to occur of (i) 10 years after the date or which the Board approves the 2004 Plan or (ii) the date on which all shares of Common Stock available for issuance under the 2000 Plan shall have been issued as vested shares. Upon such 2000 Plan termination, all Options and unvested stock issuances outstanding under the 2000 Plan shall continue to have full force and effect in accordance with the provisions of the agreements.

New Plan Benefits

Previously authorized grants of options to certain executive officers and directors of the Company, including Ms. Leslie White, Ms. Ellen Preston, Mr. Scott Glenn, Mr. Bret Megargel, Mr. H. Mac Busby, Mr. Eric Freedus, and Mr. Michael Trinkle would be made effective by this proposed amendment to the Plan. In addition, the amendment to the Plan will allow the Company to retain the services of Mr. Steube as President of the Company s ACP subsidiary. Information concerning stock option grants to the Company s executive officers and directors is set forth under Executive Compensation beginning on page of this Proxy Statement.

Recommendation of the Board of Directors

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 3. UNLESS MARKED TO THE CONTRARY, PROXIES RECEIVED FROM SHAREHOLDERS WILL BE VOTED IN FAVOR OF PROPOSAL 3.

PROPOSAL 4

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors has selected J. H. Cohn LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2005, and has further directed that management submit the selection of independent registered public accounting firm for ratification by the shareholders at the Annual Meeting. J. H. Cohn LLP has audited the Company s financial statements since 2001. Previously, PricewaterhouseCoopers LLP audited the Company s financial statements since its inception in 1991. Representatives of J. H. Cohn LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Shareholder ratification of the selection of J. H. Cohn LLP as the Company s independent registered public accounting firm is not required by the Company s current Bylaws or otherwise. However, the Board is submitting the selection of J. H. Cohn LLP to the shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the selection, the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Board in its discretion may direct the appointment of different

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independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of the Company and its shareholders.

The affirmative vote of the holders of a majority of the shares presented in person or represented by proxy and voting at the Annual Meeting will be required to ratify the selection of J. H. Cohn LLP. For purposes of this vote, abstentions and broker non-votes will not be counted for any purpose in determining whether this matter has been approved.

Audit Fees

For professional services rendered by the independent registered public accounting firm for the audit of the Company s annual financial statements and review of the unaudited financial statements included in the Company s quarterly reports on Form 10-QSB. The aggregate fees billed by the Company s independent registered public accounting firm, J.H. Cohn LLP, for 2004 and 2003 were $34,300 and $21,850, respectively.

Audit Related Fees

The aggregate fees billed in 2004 and 2003 by the Company s independent registered public accounting firm for assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of the Company s financial statements are in the amount of $10,660 and $0, respectively.

Tax Fees

No fees were billed in 2004 and 2003 by the Company s independent registered public accounting firm for tax compliance, tax advice and tax planning.

All Other Fees

No fees were billed in 2004 and 2003 by the Company s independent registered public accounting firm for any other services, other than Audit Fees and Audit Related Fees.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 4. UNLESS MARKED TO THE CONTRARY, PROXIES RECEIVED FROM SHAREHOLDERS WILL BE VOTED IN FAVOR OF PROPOSAL 4.

PROPOSAL 5
OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By order of the Board of Directors

Scott L. Glenn
Chief Executive Officer and President

April 28, 2005

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EXHIBIT A

ALLERGY CONTROL PRODUCTS, INC.
INDEPENDENT AUDITOR S REPORT,
FINANCIAL STATEMENTS
AND
OTHER FINANCIAL INFORMATION
DECEMBER 31, 2004

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ALLERGY CONTROL PRODUCTS, INC.
CONTENTS
December 31, 2004

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INDEPENDENT AUDITOR S REPORT

March 29, 2005
Board of Directors and Stockholder
Allergy Control Products, Inc.
96 Danbury Road
Ridgefield, CT 06877

We have audited the accompanying balance sheets of Allergy Control Products, Inc. (an S corporation) as of December 31, 2004 and 2003, and the related statements of operations and accumulated deficit, and cash flows for the years then ended. 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit 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 Allergy Control Products, Inc. as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 11 to the financial statements, the Company has incurred recurring losses from operations and has a deficiency in assets, which raise substantial doubt about its ability to continue as a going concern at December 31, 2004. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Venman & Co. LLC

Shelton, Connecticut

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ALLERGY CONTROL PRODUCTS, INC.
BALANCE SHEETS

	December 31	
	2004	**2003**
ASSETS		
Current assets		
Cash		$ 165,714
Trade accounts receivable		220,189
Inventory		721,183
Prepaid expenses		131,310
Total current assets		1,238,396
Equipment and leasehold improvements		
Furniture and equipment	$ 700,534	686,243
Leasehold improvements	56,100	56,100
Software	317,985	317,985
Vehicle	26,529	26,529
	1,101,148	1,086,857
Less accumulated depreciation and amortization	932,527	855,220
Net equipment and leasehold improvements	168,621	231,637
TOTAL ASSETS	$ 1,294,555	$ 1,470,033
LIABILITIES AND DEFICIENCY IN ASSETS		
Current liabilities		
Note payable, bank	$	$ 250,000
Note payable, stockholder	4,850,000	4,650,000
Trade accounts payable	799,005	481,687
Accounts payable, related party	393,873	393,873
Accrued expenses	73,013	107,281
Accrued termination benefits		93,245
Current portion of long-term debt	3,819	3,791
Current portion of obligation under capital lease	3,724	1,159
Total current liabilities	6,123,434	5,981,036
Long-term liabilities		
Long-term debt, less current portion	15,348	19,167
Obligation under capital lease, less current portion	3,876	
Total long-term liabilities	19,224	19,167

Total liabilities		6,142,658		6,000,203
Deficiency in assets				
Common stock no par value				
Authorized 20,000 shares				
Issued and outstanding 2,000 shares		4,000,000		4,000,000
Contributed capital		625,000		625,000
Accumulated deficit		(9,473,103)		(9,155,170)
Deficiency in assets		(4,848,103)		(4,530,170)
TOTAL LIABILITIES AND DEFICIENCY IN ASSETS	$	1,294,555	$	1,470,033

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

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ALLERGY CONTROL PRODUCTS, INC.
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

	Year Ended December 31	
	2004	**2003**
Net sales	$ 7,714,653	$ 8,266,863
Cost of sales	4,581,795	5,232,904
Gross profit	3,132,858	3,033,959
Operating expenses		
Selling	947,792	1,080,578
General and administrative expenses	2,492,083	2,691,780
Total operating expenses	3,439,875	3,772,358
Loss from operations	(307,017)	(738,399)
Other income (expense)		
Interest and royalty income	98	72
Interest expense	(11,014)	(25,814)
Net other expense	(10,916)	(25,742)
NET LOSS	(317,933)	(764,141)
Accumulated deficit at beginning of year	(9,155,170)	(8,391,029)
ACCUMULATED DEFICIT AT END OF YEAR	$ (9,473,103)	$ (9,155,170)

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

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ALLERGY CONTROL PRODUCTS, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31	
	2004	**2003**
Operating activities		
Net loss	$ (317,933)	$ (764,141)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	77,307	183,598
Provision for uncollectible accounts	19,664	1,375
Provision for obsolete inventory	(60,000)	8,000
(Increase) decrease in:		
Trade accounts receivable	(21,174)	119,571
Inventory	164,712	315,850
Prepaid expenses	(78,347)	21,477
Increase (decrease) in:		
Trade accounts payable	317,318	(29,888)
Accrued expenses	(34,268)	55,453
Accrued termination benefits	(93,245)	(246,550)
Net cash used by operating activities	(25,966)	(335,255)
Investing activity cash used in acquisition of equipment	(3,076)	(3,892)
Financing activities		
Payments of short-term borrowings	(250,000)	(200,024)
Proceeds of short-term borrowings		250,000
Proceeds of borrowings from stockholder	200,000	650,000
Payments of borrowings from officer		(130,000)
Payments of long-term borrowings	(3,791)	(1,571)
Payments of obligation under capital lease	(4,774)	(123,123)
Net cash provided (used) by financing activities	(58,565)	445,282
Increase (decrease) in cash for the year	(87,607)	106,135
Cash at beginning of year	165,714	59,579
CASH AT END OF YEAR	$ 78,107	$ 165,714
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Cash paid during the year for interest	$ 11,014	$ 25,814
Non-cash investing and financing activities:		
Acquisition of equipment by incurring capital lease obligation	$ 11,215	$
Acquisition of vehicle by issuance of debt	$	$ 24,529

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

ALLERGY CONTROL PRODUCTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

Allergy Control Products, Inc. (the Company) develops and sells products, both retail and wholesale, that decrease allergic reactions resulting from environmental factors. The Company grants credit to its wholesale customers.

CHANGE IN ACCOUNTING BASIS

Accumulated deficit at January 1, 2003 has been restated to reflect the change from the accounting basis used by the Company for income tax purposes to U.S. generally accepted accounting principles.

TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management s assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

INVENTORY

Inventory is valued at the lower of cost, determined on the first-in, first-out method, or market and consists of:

	December 31	
	2004	**2003**
Materials	$ 174,246	$ 200,128
Work-in-process	31,395	71,339
Finished goods, less provision for obsolescence 2004 $133,000; 2003 $193,000	410,830	449,716
	$ 616,471	$ 721,183

EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements are recorded at cost and include expenditures which materially increase values or extend useful lives. Upon disposition or retirement, the cost and related accumulated depreciation or amortization are eliminated from the respective accounts, and the resulting gain or loss is included in the statement of operations. Expenditures in the nature of normal repairs and maintenance are charged to operations as incurred.

Depreciation and amortization of equipment and leasehold improvements is recorded over the estimated useful lives of the assets using straight-line and accelerated methods.

SHIPPING COSTS

Shipping costs of $452,453 for 2004 and $472,288 for 2003 are included in cost of sales.

ADVERTISING

The Company expenses advertising costs as they are incurred. Advertising expenses amounted to $586,060 in 2004 and $713,085 in 2003.

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ALLERGY CONTROL PRODUCTS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

INCOME TAXES

The Company has elected by consent of its stockholder to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal or state corporate income taxes on its taxable income and does not receive benefit of net operating loss carryforwards or carrybacks. Instead, the Company s taxable income or loss is included on the stockholder s individual income tax return.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2. CONCENTRATION OF CREDIT RISK

During the year and at the balance sheet date the Company maintained cash balances at a bank in excess of the insurance limits ($100,000) of the Federal Deposit Insurance Corporation.

NOTE 3. NOTE PAYABLE, STOCKHOLDER

The demand note payable to the stockholder is non-interest bearing.

NOTE 4. ACCOUNTS PAYABLE, RELATED PARTY

The accounts payable to the related party was paid after year end by a capital contribution made by the sole stockholder.

NOTE 5. LONG-TERM DEBT

	December 31	
	2004	**2003**
Long-term debt consists of:		
0.74% chattel note payable in monthly installments of $329, including interest, with a balloon payment of $13,436 due in July 2006. The note is secured by a vehicle with an original cost of $26,529	$ 19,167	$ 22,958
Less current portion	3,819	3,791
TOTAL LONG-TERM DEBT	$ 15,378	$ 19,167

The maturities of long-term debt by year and in the aggregate are:

Year Ending December 31	
2005	$ 3,819
2006	15,348
	$ 19,167

NOTE 6. CAPITAL LEASE COMMITMENT

The Company is the lessee of $332,298 of equipment under a capital lease agreement expiring in December 2006. The accumulated amortization of the equipment amounted to $299,510 at December 31,

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ALLERGY CONTROL PRODUCTS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

2004 and $276,820 at December 31, 2003. Amortization of the asset under the capital lease is included in depreciation and amortization expense. Future minimum lease payments under the capital lease are:

Year Ending December 31	
2005	$ 3,960
2006	3,960
Total minimum lease payment	7,920
Less amount representing interest	320
Present value of minimum lease payments	7,600
Less current portion	3,724
Long-term portion	$ 3,876

NOTE 7. OPERATING LEASE COMMITMENTS

The Company leases its office and warehouse facility under a non-cancelable operating lease expiring in October 2007. The lease requires the Company to pay property taxes and maintenance charges.

The Company also leases a vehicle and office equipment under non-cancelable operating leases that expire through January 2005.

Rent expense amounted to $221,355 in 2004 and $222,085 in 2003. Future minimum rental payments under the non-cancelable operating leases, excluding property taxes and maintenance charges are:

Year Ending December 31	
2005	$ 174,386
2006	172,742
2007	132,450
	$ 479,578

NOTE 8. CONCENTRATIONS

The Company purchases all of its fabric for a major product line, which represents 72% of total fabric purchases, from one mill. Additionally, 20% of fabric is purchased from another mill. Although there are comparable products, a change in suppliers could cause delay in acquiring fabric, which could ultimately affect operating results.

The Company subcontracts approximately 15% of its production activities to a fabricator in Slovakia. Inventory at this fabricator amounted to $80,105 at December 31, 2004 and $65,819 at December 31, 2003.

NOTE 9. EMPLOYEE BENEFIT PLAN

The Company has a 401(k) retirement plan that provides for elective pretax contributions to the plan by all employees and for discretionary matching contributions by the Company. The Company made no contributions to the plan in 2004 or 2003.

NOTE 10. SUBSEQUENT EVENTS

As part of an agreement and plan of merger dated March 7, 2005 with Planet Technologies, Inc. (Planet), the Company s sole stockholder will receive 600,000 shares of Planet stock in exchange for all of his

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ALLERGY CONTROL PRODUCTS, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)

stock in the Company. Additionally, the sole stockholder will receive a payment of $1,500,000 of his note receivable and will contribute the balance of the note in the amount $3,350,000 to capital.

The stockholder of the Company has also agreed to make a cash contribution of $500,000 to capital prior to closing to provide for termination benefits for one of the officers of the Company.

NOTE 11. GOING CONCERN

As indicated on the financial statements, the Company has incurred losses in the amount of $317,933 in 2004 and $764,141 in 2003 and the deficiency in assets at December 31, 2004 amounted to $4,848,103. At December 31, 2004 current liabilities exceeded current assets by $4,997,500.

In the event that the Company is unable to achieve profitable operating results and sufficient cash flow or the stockholder ceases to fund operations, it is uncertain the Company will be able to continue in existence. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and reclassification of liabilities that might be necessary should the Company be unable to continue in existence.

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EXHIBIT B

FORM 10KSB
FILED WITH SEC
March 31, 2005

B-1

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

FORM 10-KSB
ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2004
Commission File No. 0-26804

PLANET TECHNOLOGIES, INC.
(Formerly Planet Polymer Technologies, Inc.)
(Name of small business issuer in its charter)

CALIFORNIA	**33-0502606**
(State or other jurisdiction of incorporation of organization)	**(IRS Employer identification No.)**
6835 Flanders Drive, Suite 100 San Diego, California	**92121**
(Address of principal executive offices)	**(Zip Code)**

Issuer s telephone number (858) 457-4742
Securities registered under Section 12(b) of the Exchange Act:
None
Securities registered under Section 12(g) of the Exchange Act:
Common Stock, No Par Value

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. þ Yes o No

Check if there is no disclosure of delinquent filers in response to Items 405 of Regulation S-B in this form, and no disclosure will be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. o

The issuer s revenues for the year ending December 31, 2004 were $1,180,382.

The aggregate market value of the voting stock held by non-affiliates of the Issuer as of March 11, 2005, was $1,396,595, based on the average of the 4:00 p.m. closing bid and ask prices of $1.26 as reported on the Over-the-Counter Bulletin Board.

As of March 11, 2005, 2,180,368 shares of the Company s Common Stock were outstanding and no shares of the Company s Series A Preferred Stock were outstanding.

Transitional Small Business Disclosure Format (check one) o Yes þ No

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PLANET TECHNOLOGIES, INC.
FORM-10KSB
Year Ended December 31, 2004

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The letter to Shareholders and this Annual Report on Form 10-KSB contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends that such statements shall be protected by the safe harbors provided for in such sections. Such statements are subject to risks and uncertainties that could cause the Company s actual results to vary materially from those projected in such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed in this section as well as those sections entitled Risk Factors, and in Item 6 Management s Discussion and Analysis of Financial Condition and Results of Operations.

PART I.

ITEM 1. ***DESCRIPTION OF BUSINESS***

Planet Technologies, Inc.

General

On November 30, 2004, Planet acquired the business of Allergy Free, LLC, and is now engaged in the business of designing, manufacturing, selling, and distributing common products for use by allergy sensitive persons, including, without limitation, air filters, bedding, room air cleaners, and related allergen avoidance products. Allergy Free acquired its business on or about November 3, 2000, when it acquired substantially all of the assets and business of Allergy Free, L.P., a Delaware limited partnership. The business strategy is primarily based upon the marketing and selling of a complete range of branded, allergen avoidance products to its database of customers who have purchased the Allergy-Free® Electrostatic Filter. Promotion is executed primarily through direct telemarketing, supplemented with direct mail, radio, and Internet advertising. In addition, we will continue to pursue co-marketing opportunities with appropriate partners in order to increase consumer awareness and expand our customer base. We will market our products under the Allergy Free® trade name. In conjunction with these activities, Planet operates an e-commerce website for the sale of Allergy-Free® products at www.800allergy.com.

The allergy avoidance product industry provides products and information that help people suffering from allergies or asthma to reduce the level of exposure to allergens in their environment. Market categories include: air filtration products, mold and mildew products, and products to avoid exposure to dust mites and other allergens. Market distribution channels include: direct to consumer sales, physician directed sales, the Internet, and retail. Competitors include National Allergy Supply, Mission Allergy, Allergy Control Products, Allergy Buyers Club, 3M and Sharper Image.

On March 8, 2005, Planet entered into a definitive agreement to acquire Allergy Control Products, Inc. (ACP). The merger transaction will be structured pursuant to an Agreement and Plan of Merger agreed upon by both parties, and is subject to approval by each party s respective shareholders and other contingencies. Pursuant to the terms of the merger transaction the shareholder of ACP will be issued 600,000 shares of Planet common stock. In addition, ACP debt to its shareholder in the approximate amount of $1,500,000 will be paid in full by Planet.

Products and Technologies

There are over 65 million allergy sufferers in the US alone. The American College of Allergy and Immunology recommends avoidance as the first line of treatment. Allergy Free contracts for the manufacture and distributes products to address three main allergen areas where avoidance products can provide reduced exposure. The categories are Air Filtration, Dust Mite/ Dander avoidance, and Mold concerns.

Air Filtration Product Category: According to the EPA the air inside houses is 3-5 times more polluted than outdoor air so providing products to clean the air inside the home is critical to any allergy management plan. Allergy Free air filters greatly reduce the amount of airborne contaminants. Planet currently markets three types of filters for forced heating and cooling systems along with vent filtration kits and HEPA room air cleaners.

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The Aller-Pure® Gold Filter is a permanent electrostatic washable filter. The filter is very efficient in removing particles at the 1-10 micron level. The filter is pleated and offers 2.5 times the filtering surface area of a flat filter while providing a low resistance that optimizes airflow. We offer 45 standard sizes and also manufacture custom filters to meet almost any customer need. The filters have a ten-year warranty.

The Aller-Pure® MAX- (Micro-Allergen Xtractor) is the newest filter offered by the Company. The Aller-Pure MAX is rated at the highest level for residential filters. It is a pleated filter with actively electrostatic charged media. The disposable filter s life is 2-3 months and is sold in packages of 4 filters. Currently we offer this filter in 11 standard sizes.

We provide the **Aller-Pure® Flex filters** for free-standing air conditioning units and other types of heating and cooling systems often found in recreational vehicles. The flex filter is comprised of 3 layers and sewn with a trim. These filters are washable and have a three-year warranty.

Consumers filter the loose dust from their air ducts using **Allergy-Free® Vent Filtration Kits**. The vent kits are sold in one month and six week supplies. Consumers are instructed to change the vent filters when dirty and replace with new product.

Allergy-Free® Filter Cleaner Used to clean the Aller-Pure® Gold and Aller-Pure® Flex filters.

Allergy-Free® HEPA Room Air Cleaners are available in five different configurations to meet an individual s needs. These freestanding units are often used when the forced heating and cooling system is not in use and/or when an individual does not have a forced air system.

These products reduce the amount of airborne contaminants and dust in the air. The products are designed for specific customer requirements that vary based on room size, number of rooms in the house and type of heating and/or cooling system installed. Many customers will purchase and use a furnace filter, vent filtration kit, and a freestanding HEPA room air cleaner.

Dust Mite/ Dander Avoidance Product Category: Microscopic bugs called dust mites produce potent allergens and thrive in places such as beds, upholstered furniture, and carpets. Approximately 45% of all allergy sufferers are allergic to dust mites. The Company provides a complete line of products that reduce the allergy sufferers exposure. Using a variety of the mite reducing products is recommended to achieve maximum relief. Customer testimonials report fewer headaches and less congestion once they have implemented a dust mite removal strategy.

Allergy-Free® Pristine Bed and Pillow Encasings and Hypoallergenic Pillows: The Pristine® line of encasings offered by Planet is the first choice in hypo-allergenic protective bed covers to protect household members from dust mite allergens while sleeping. The Pristine® line is highly recommended by allergy physicians.

Anti-Allergen Products for laundry and upholstery: We offer products in this category from Whirlpool, Alkaline products and Ecology Works.

Carpet Treatments: Planet markets **Capture® Carpet Cleaner, Dust Mite Control and X-Mite** carpet treatments. All of these products work by either killing the dust mites or denaturing the protein rendering it to a non-allergenic state.

Electrostatic Mops and Dusters: These mops utilize an electrostatic cloth for maximum efficiency without the use of harsh chemicals that also can be harmful to the allergy patient.

Dander Reducing Treatments: **Allerpet** solutions are rubbed directly on to the animal and reduce the amount of pet dander.

Mold Concerns Product Category: Excess mold in the environment can cause severe headaches and congestion. Allergy Free distributes a full line of products to keep the home environment to an optimum humidity level. The Damp Check Domes are used in closets and cupboards; the **Allersearch AllerMold** is a product used in showers and tubs. We also recommend and sell mold-free shower curtains and mats.

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Product Registrations

Planet does not directly manufacture any product requiring EPA or FDA registration. We sell products that are registered by their manufacturers.

Licensed Technology and Intellectual Property

Planet licenses technology associated with the production of its Aller-Pure® Gold Permanent Electrostatic Filter. The licensing agreement is with Rick L. Chapman exclusively for Allergy Free. Patent number 6,056,809. Permanent Air Filter and Method of Manufacture. Specifically a washable air filter for filtering inlet air to a heating and/or air conditioning system comprising an assembly formed of: a deformable, non-electrostatic pad of a high-loft, air laid, resin bonded polymeric fibers, 2 layers of mesh along with 2 layers of expanded steel glue in an aluminum frame. The licensing agreement is for a term of 10 years or the life of the patent or for the period of time in which Planet actively sells the Aller-Pure® Gold Permanent filter. The agreement provides for a royalty of 1.65% based on net filter sales and is paid monthly. The original agreement was dated January 1, 1997.

Research and Development

Planet is not actively developing new products, although the Company has historically worked with consultants, filter-testing labs, media manufactures and filter manufacturers to develop new enhanced filters and product line extensions.

Government Requirements

Planet s sales practices are regulated at both the federal and state level. The Telephone Consumer Protection Act (the TCPA), which was enacted in 1991, authorized and directed the Federal Communications Commission (the FCC) to enact rules to regulate the telemarketing industry. In December 1992, the FCC enacted rules, which place restrictions on the methods and timing of telemarketing sales calls.

On July 3, 2003, the FCC issued a Report and Order setting forth amended rules and regulations implementing the TCPA. The rules, with a few exceptions, became effective August 25, 2003. These rules included: (1) restrictions on calls made by automatic dialing and announcing devices; (2) limitations on the use of predictive dialers for outbound calls; (3) institution of a national do-not-call registry in conjunction with the Federal Trade Commission (the FTC); (4) guidelines on maintaining an internal do-not-call list and honoring do-not-call requests; and (5) requirements for transmitting caller identification information. The do-not-call restrictions took effect October 1, 2003. The caller identification requirements became effective January 29, 2004. The FCC also included rules restricting facsimile advertisements. These rules became effective January 1, 2005.

The Federal Telemarketing Consumer Fraud and Abuse Act of 1994 authorizes the FTC to issue regulations designed to prevent deceptive and abusive telemarketing acts and practices. The FTC issued its Telemarketing Sales Rule (the TSR), which went into effect in January 1996. The TSR applies to most direct teleservices telemarketing calls and certain operator teleservices telemarketing calls and generally prohibits a variety of deceptive, unfair or abusive practices in telemarketing sales.

The FTC amended the TSR in January 2003. The majority of the amendments became effective March 31, 2003. The changes that were adopted that could adversely affect Planet include, but are not limited to: (1) subjecting a portion of our calls to additional disclosure requirements from which such calls were previously exempt: (2) prohibiting the disclosure or receipt, for consideration, of unencrypted consumer account numbers for use in telemarketing; (3) additional disclosure statements relating to certain products and services; (4) additional authorization requirements for payment methods that do not have consumer protections comparable to those available under the Electronic Funds Transfer Act (EFTA) or the truth in Lending Act; and (5) institution of a national do-not-call registry. The do-not-call restrictions became effective October 1, 2003. Planet believes it is in compliance with the amendments.

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The amendments to the TSR in 2003 may have a material impact on both Planet s revenue and profitability. The addition of a national do-not-call list to the growing number of states that already have do-not-call lists has reduced the number of households that the Company may call. Approximately seventy-percent (70%) of Planet s historical customers have placed their names on the national do-not-call list.

In addition to the federal legislation and regulations, there are numerous state statutes and regulations governing telemarketing activities, which do or may apply to us. For example, some states also place restrictions on the methods and timing of telemarketing calls and require that certain mandatory disclosures be made during the course of a telemarketing call. Some states also require that telemarketers register in the state before conducting telemarketing business in the state.

We specifically train our telemarketing representatives to handle calls in an approved manner and believe we comply in all material respects with all federal and state telemarketing regulations. There can be no assurance, however, that Planet would not be subject to regulatory challenge for a violation of federal or state law.

Annual fees for federal registrations were $7,300 for 2004 and proposed fees for 2005 are approximately $11,000. In addition, Planet anticipates spending an additional approximately $5,000-$8,000 on state fees in 2005.

Customers of Planet

The typical customer for the Company s products is the residential consumer. In excess of one million customers in this category have purchased the Company products. Additionally, but on a very limited basis, we sell products to physicians offices as well as HVAC service and duct cleaning businesses.

Suppliers of Planet

Planet acquires its products from a variety of manufacturers. The primary suppliers of the Company products include:

American Metal Filter Company (Permanent Electrostatic Filters)
Lifetime Filter Manufacturing, LLC (Disposable Filters)
J. Lamb, Inc. (Bedding Encasings)
Austin Air Systems, LTD (Room Air Cleaners)

Sales and Marketing

We employ staff to perform and manage sales and marketing functions. Outside resources are hired on an as-needed basis to augment the internal effort. Currently Planet actively markets on the Internet, through catalog sales, and inbound and outbound telemarketing.

Employees

As of January 1, 2005, Planet employed 9 full-time and 2 part-time employees. The company also uses periodic temporary labor, as needed.

Properties

The Planet office is located in approximately 5400 square feet of leased office space in San Diego, California, subject to a sublease which terminates July 31, 2005. The monthly rental payment is $6,513 triple net.

Risk Factors

Amendments to the Telemarketing Sales Rule (the TSR). The amendments to the TSR in 2003 may have a material impact on both Planet s revenue and profitability. The addition of a national do-not-call list to the growing number of states that already have do-not-call lists has reduced the number of households that the Company may call. Approximately seventy-percent (70%) of Planet s historical customers have placed their names on the national do-not-call list.

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We have experienced losses, we expect future losses and we may not become profitable. For the years ended December 31, 2004, and 2003, we had net losses of approximately $773,558 and $574,135, respectively. As of December 31, 2004, we had an accumulated deficit of approximately $3.7 million.

Since we have historically incurred net losses, we expect this trend to continue until some indefinite date in the future. We may not become profitable. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis.

We may require additional capital in the future which may not be available. Our future capital requirements will depend on many factors, including:

- the cost of manufacturing;
- developing new markets for our products;
- competing technological and market developments; and
- the costs involved in filing, prosecuting and enforcing patent claims.

We anticipate that our existing resources combined with revenues will enable us to maintain our current and planned operations through December 31, 2005. However, changes in our plans or other events affecting our operating expenses, such as acquisition opportunities, may cause us to expend our existing resources sooner than expected.

We may seek additional funding through private placements of stock or strategic relationships. But the uncertainty as to our future profitability may make it difficult for us to secure additional financing on acceptable terms, if we are able to secure additional financing at all. Insufficient funds may require us to delay, scale back or eliminate some or all of our activities.

We are subject to penny stock regulations. Our common stock is not listed or qualified for listing on NASDAQ or any national securities exchange but is only sporadically traded in the over-the-counter market in the so-called OTC Bulletin Board. As a result, an investor will find it difficult to dispose of, and to obtain accurate quotations as to the value of, our common stock.

Our common stock is classified as a penny stock by the Securities and Exchange Commission. The classification severely and adversely affects the market liquidity for our common stock. The Commission has adopted Rule 15g-9, which establishes the definition of a penny stock for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require: (i) that a broker or dealer approve a person s account for transactions in penny stocks; and (ii) the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased. In order to approve a person s account for transactions in penny stocks, the broker or dealer must (i) obtain financial information and investment experience objectives of the person; and (ii) make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters

to be capable of evaluating the risks of transactions in penny stocks. The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedules prepared by the Commission relating to the penny stock market, which, in highlight form, sets forth (i) the basis on which the broker or dealer made the suitability determination and (ii) that the broker or dealer received a signed, written agreement from the investor prior to the transaction. Disclosure also has to be made about the risks of investing in penny stocks in public offerings and secondary trading and about the commissions payable to the broker-dealer and registered representative, current quotations for the securities and the rights and remedies available to an investor in case of fraud in penny stock transaction. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Any inability to adequately retain or protect our employees, customer relationships and proprietary technology could harm our ability to compete. Our future success and ability to compete depends in part upon our employees, customer relationships, proprietary technology and trademarks, which we attempt to protect with a combination of trademark and trade secret claims. These legal protections afford only limited protection. Further, despite our efforts, we may be unable to prevent third parties from soliciting our employees or customers or infringing upon or misappropriating our intellectual property. Our employees, customer relationships and intellectual property may not be adequate to provide us with a competitive advantage or to prevent competitors from entering the markets for our product and services. Additionally, our competitors could independently develop non-infringing technologies that are competitive with, and equivalent or superior to, our products. We will monitor infringement and/or misappropriation of our proprietary rights. However, even if we do detect infringement or misappropriation of our proprietary rights, litigation to enforce these rights could cause us to divert financial and other resources away from our business operations.

The departure of certain key personnel could harm the financial condition of the Company. Several of our employees are intimately involved in our business and have day-to-day relationships with critical customers. Planet is not able to afford additional staff to supplement these key personnel. Competition for highly skilled business, product development, marketing and other personnel is intense, and there can be no assurance that we will be successful in recruiting new personnel or in retaining our existing personnel. A failure on our part to retain the services of these key personnel could have a material adverse effect on our operating results and financial condition. We do not maintain key man life insurance on any of our employees.

We face numerous competitors. We have many competitors with comparable characteristics and capabilities that compete for the same group of customers. Our competitors are competent and experienced and are continuously working to take market share away from us. Our competitors have greater financial, technical, marketing and other resources than we do. Our ability to compete effectively may be adversely affected by the ability of these competitors to devote greater resources to the sales and marketing of their products and services than are available to us.

There are risks associated with our planned growth. We plan to grow the Company s revenues and profits by adding to our existing customer base through internal growth and by the acquisition of other companies.

Management believes that Planet can grow through the acquisitions of other allergy control related companies as part of a roll-up strategy. The acquisition of other companies is uncertain and contains a variety of business risks, including: cultural differences, the retention of key personnel, competition, protection of intellectual property, profitability, industry changes and others.

Although we do not have an agreement to acquire any specific company at this time, other than Allergy Control Products, we intend to attempt to expand our operations through the acquisition of other companies. Acquisitions and attempted acquisitions may place a strain on our limited personnel, financial and other resources. Our ability to manage this growth, should it occur, will require expansion of our capabilities and personnel. We may not be able to find qualified personnel to fill additional positions or be able to successfully manage a larger organization.

We have very limited assets upon which to rely for adjusting to business variations and for growing new businesses. While we are likely to look for new funding to assist in the acquisition of other profitable businesses, it is uncertain whether such funds will be available. There can be no assurance that we will be successful in raising a sufficient amount of additional capital, or if we are successful, that we will be able to raise capital on reasonable terms. If we do raise additional capital, our existing shareholders may incur substantial and immediate dilution.

Future sales of our common stock by existing shareholders under Rule 144 or this offering could decrease the trading price of our common stock. As of December 31, 2004, a total of approximately 1,955,397 shares of outstanding common stock were restricted securities and could be sold in the public markets only in compliance with rule 144 adopted under the Securities Act of 1933 or other applicable exemptions from registration. Rule 144 provides that a person holding restricted securities for a period of one year may thereafter sell, in brokerage transactions, an amount not exceeding in any three-month period the greater of either (i) 1% of the issuer s outstanding common stock or (ii) the average weekly trading volume in the securities during a period of four calendar weeks immediately preceding the sale. Persons who are not affiliated with the issuer and who have held their restricted securities for at least two years are not subject to the volume limitation. Possible or actual sales of our common stock by present shareholders under Rule 144 could have a depressive effect on the price of our common stock. We have filed a registration statement to register many of these shares, which may be sold without the above limitations when and if the registration statement becomes effective.

Our directors and executive officers beneficially own approximately 50% of our stock, including stock options and warrants exercisable within 60 days of January 1, 2005; their interests could conflict with yours; significant sales of stock held by them could have a negative effect on our stock price; shareholders may be unable to exercise control. As of January 1, 2005, our executive officers, directors and affiliated persons were the beneficial owners of approximately 50% of our common stock, including stock options exercisable within 60 days of January 1, 2005. As a result, our executive officers, directors and affiliate persons will have significant ability to:

- elect or defeat the election of our directors;
- amend or prevent amendment of our articles or incorporation or bylaws;
- effect or prevent a merger, sale of assets or other corporate transaction; and
- control the outcome of any other matter submitted to the shareholders for vote.

As a result of their ownership and positions, our directors and executive officers collectively, are able to significantly influence all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions. In addition, sales of significant amounts of shares held by our directors and executive officers, or the prospect of these sales, could adversely affect the market price of our common stock. Management s stock ownership may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which in turn could reduce our stock price or prevent our shareholders from realizing a premium over our stock price.

Absence of Dividends. We have not paid any cash dividends on our Common Stock since our inception and do not anticipate paying cash dividends in the foreseeable future.

ITEM 2. *DESCRIPTION OF PROPERTY*

The executive offices are located in approximately 5,400 square feet of leased office space located at 6835 Flanders Drive, Suite 100, San Diego, California, 92121 subject to a sublease which terminates July 31, 2005. The sublease may be extended on a month-to-month basis after July 31, 2005.

ITEM 3. *LEGAL PROCEEDINGS*

None.

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ITEM 4. ***SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS***

Planet held its annual meeting on November 17, 2004 and continued that meeting on November 29, 2004. Only holders of record of Planet common stock on September 30, 2004 were entitled to notice of and to vote at the Annual Meeting. As of the record date, there were 6,582,884 (or 131,658 post reverse stock split) shares of Planet common stock outstanding.

The following matters were voted on and approved by Planet shareholders: (1) the Asset Purchase Agreement between Planet and Allergy Free, LLC (Allergy Free), wherein Planet acquired all of the assets of Allergy Free and assumed certain of the liabilities of Allergy Free; (2) the establishment of a Royalty Liquidation Trust (Trust) to collect royalties and other payments due under the licensing agreements with Agway, Inc. and Ryer Enterprises, LLC (Royalty Contracts) and distribute any such payments to the shareholders of record of Planet as of September 30, 2004, subject to paying certain expenses and maintaining a $30,000 reserve for the payment of future expenses related to the Trust and Royalty Contracts; (3) the amendment to the Restated Articles of Incorporation to effect a reverse stock split of one-for fifty; (4) the amendment to the Restated Articles of Incorporation to effect a name change from Planet Polymer Technologies, Inc. to Planet Technologies, Inc. ; (5) the election of H.M. Busby, Scott L. Glenn, Robert J. Petcavich, Ph.D., Ellen Preston and Michael Trinkle to serve as Planet s Board of Directors; (6) the amendment to the 2000 Stock Option Plan (the Plan) to increase the number of shares reserved for issuance under the Plan from 500,000 shares to 5,000,000 shares; and (7) the ratification of the approval of J.H. Cohn LLP to serve as Planet s independent registered public accounting firm for the 2004 fiscal year.

Items 5 and 7 were approved on November 17, 2004, and Items 1 through 4 and 6 were approved on November 29, 2004.

Items 1 through 4 required and received the approval of the holders of a majority of the outstanding common stock of the Company; the five persons elected under Item 5 received the most number of votes cast; with the required quorum present, Items 6 and 7 required and received the approval of holders of a majority of the outstanding common stock of the Company present in person or represented by proxy at the meeting.

That Proxy Statement previously filed by Planet with the Securities and Exchange Commission on October 20, 2004, and mailed out to all shareholders of record as of September 30, 2004, contains a more complete discussion of Items 1 through 7, as summarized above.

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PART II.

ITEM 5. *MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS*

The Company s Common Stock trades on the OTC.BB under the symbol PLNT.OB. The following table sets forth the high and low sales prices of the Company s Common Stock for the period from January 1, 2003 through December 31, 2004 as furnished by the OTC.BB. These prices reflect prices between dealers without retail markups, markdowns or commissions, and may not necessarily represent actual transactions. These prices also reflect the reverse stock split effective December 6, 2004:

	Trade Prices	
	High	**Low**
Fiscal year ended December 31, 2003		
First Quarter	$ 4.00	0.50
Second Quarter	5.00	2.50
Third Quarter	3.00	2.50
Fourth Quarter	3.50	1.50
Fiscal year ended December 31, 2004		
First Quarter	12.50	1.75
Second Quarter	10.50	3.00
Third Quarter	3.50	2.50
Fourth Quarter	3.50	0.70

On March 11, 2005, the last reported sale price of the Company s Common Stock on the Over-the-Counter Bulletin Board was $1.26 per share. As of March 11, 2005, there were approximately 194 holders of record of the Company s Common Stock with 2,180,368 shares outstanding. The market price of shares of Common Stock, like that of the common stock of many other emerging growth companies, has been and is likely to continue to be highly volatile.

The Company has never declared or paid a cash dividend. The Company has not paid and does not intend to pay any Common Stock dividends to Common Stock shareholders in the foreseeable future and intends to retain any future earnings to fund the Company s operations. Any payment of dividends in the future will depend upon the Company s earnings, capital requirements, financial condition and such other factors as the Board of Directors may deem relevant.

Recent Sales of Unregistered Securities

During the period from November 29, 2004, through December 31, 2004, the Company entered into subscription agreements with investors for the sale of an aggregate of 258,000 shares of Company common stock at $2.50 a share. The net proceeds received by the company at December 31, 2004 totaled $645,000. The Company relied upon an exemption from registration pursuant to Section 4(2) of, and Regulation D, promulgated under, the Securities Act.

On November 30, 2004, the Company issued 1,655,670 shares of common stock to AF Partners, LLC, and certain former members of AF Partners as consideration for the assets of Allergy Free, LLC, valued at $2.50 per share. The Company relied on Section 4(2)of and Regulation D, promulgated under, the Securities Act, as a basis of exemption from registration.

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ITEM 6. ***MANAGEMENT S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION***

Overview

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. Planet evaluates its estimates and judgments on an on-going basis. Planet bases its estimates on historical experience and on assumptions that it believes to be reasonable under the circumstances. Planet s experience and assumptions form the basis for its judgments about the carrying value of its assets and liabilities that are not readily apparent from other sources. Actual results may vary from what Planet anticipates and different assumptions or estimates about the future could change Planet s reported results. Planet believes the following accounting policies are the most critical to Planet, in that they are important to the portrayal of its financial statements and they require Planet s most difficult, subjective or complex judgments in the preparation of its financial statements:

Revenue Recognition

Planet recognizes revenue on its products when the product is shipped. Planet accrues a provision for estimated returns concurrent with revenue recognition. In addition, a provision for potential warranty claims is provided for at the time of sale, based upon warranty terms and the Company s prior experience.

Allowances for Doubtful Accounts

Allowances for doubtful accounts receivable are maintained based on historical payment patterns, aging of accounts receivable, and actual write-off history. Allowances are also maintained for future sales returns and allowances based on an analysis of recent trends of product returns.

Impairment of Long-Lived Assets

In assessing the recoverability of its long-lived assets, Planet must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, Planet may be required to record impairment charges for these assets.

Statements of Operations Data

The following tables set forth certain items in Planet s Statements of Operations for the periods indicated.

Years Ended December 31, 2004 and 2003

	2004	2003	Change	%
Sales	$ 1,180,382	$ 2,258,213	(1,077,831)	(47.7)
Cost of Sales	407,811	730,801	(322,990)	(44.2)
Gross Profit	772,571	1,527,412	(754,841)	(49.4)
Operating Expenses	1,286,684	1,874,398	(587,714)	(31.4)
Loss from Operations	(514,113)	(346,986)	167,127	48.2
Other Income (Expense)	(259,445)	(227,149)	32,296	14.2
Net Loss	(773,558)	(574,135)	199,423	34.7

Planet s net sales decreased 47.7% from $2,258,213 for the twelve months ended December 31, 2003, to $1,180,382 for the twelve months ended December 31, 2004. This decrease was due to several factors. First, sales in 2003 were impacted positively both from the effects of radio advertising in late 2002 and early 2003 and from having two active sales locations, with two active telemarketing staffs. For most of 2004, the Company s San Diego location was the only telemarketing group in operation. Sales in 2004 were negatively

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impacted by the Do Not Call (DNC) legislation which went into effect during the fourth quarter of 2003. Due to DNC requirements, the company was unable to telemarket its products to a segment of its existing customers.

Cost of Sales decreased 44.2% from $730,801 for the twelve months ended December 31, 2003, to $407,811 for the twelve months ended December 31, 2004, due mainly to the associated decrease in sales revenue (units sold) and a small shift in product mix and higher distribution costs. Overall gross profit, as a percentage of sales, totaled 65.5% for the twelve months ended December 31, 2004, and 67.6% for the twelve months ended December 31, 2003. This change is due to a shift in product mix in the first quarter of 2004 and higher distribution and other costs resulting from the relocation to San Diego. This product mix shift was primarily due to an emphasis in the first quarter of 2004 on the sale of room air cleaners and up-selling across the Company s product line. The Company expects its profit margin to be impacted in the future by higher distribution costs as compared to 2004 and 2003.

Selling and general and administrative expenses decreased by 31.4% from $1,874,398 for the twelve months ended December 31, 2003, to $1,286,684 for the twelve months ended December 31, 2004. Of the $587,714 decrease, approximately $239,000 was attributable to discontinuing the national radio advertising campaign and the remainder of the decrease was related to decreased headcount and facility expenses with only one location active for most of 2004.

The Other Income(Expense) category includes interest expense of $197,673 and other expenses of $62,671 for the twelve months ended December 31, 2004. While interest expense was up slightly ($8,211) over the prior year, other expenses increased $22,934, or 57.7% over the twelve months ended December 31, 2003. This difference was due mainly to moving costs associated with closing and moving the Company s Houston operations to San Diego during the first quarter of 2004.

Years Ended December 31, 2003 and 2002

	2003	2002	Change	%
Sales	$ 2,258,213	$ 3,787,164	(1,528,951)	(40.4)
Cost of Sales	730,801	1,211,128	(480,327)	(39.7)
Gross Profit	1,527,412	2,576,036	(1,048,624)	(40.7)
Operating Expenses	1,874,398	2,860,129	(985,731)	(34.5)
Loss from Operations	(346,986)	(284,093)	62,893	22.1
Other Income (Expense)	(227,149)	(245,449)	(18,300)	(7.5)
Net Loss	(574,135)	(529,542)	44,593	8.4

Net sales decreased 40.4% from $3,787,164 for the year ended December 31, 2002 to $2,258,213 for the year ended December 31, 2003. This decrease was due primarily to the decision to discontinue the national radio advertising campaign in April 2003.

Cost of sales decreased 39.7% from $1,211,128 for the year ended December 2002 to $730,801 for the year ended December 31, 2003, due to the associated decrease in sales revenue (units sold). Overall gross profit, as a percentage of sales, was relatively constant for the years ended 2003 and 2002, at 67.6% and 68.0%, respectively. This slight decrease year over year was due to the relatively consistent product mix during the two years.

Selling and general and administrative expenses decreased by 34.5% from $2,860,129 for the year ended December 31, 2002 to $1,874,398 for the year ended December 31, 2003. Of this $985,731 decrease, $939,000 was due to discontinuing the national radio advertising campaign and approximately $15,000 due to a reduction in lease expense in Houston during 2003, where the Company down-sized into a smaller portion of the existing space.

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The Other Income(Expense) category mainly includes interest expense which totaled $189,462 for the year ended December 31, 2003, an increase of $28,019 or 17.4% over the prior year due to higher outstanding borrowings during the 2003 year.

Off Balance Sheet Arrangements

None.

Liquidity And Capital Resources

Cash and cash equivalents totaled $374,923 at December 31, 2004, compared to $128,005 at December 31, 2003. Although the Company used cash totaling $435,833 in its operations during 2004, an advance from a related party of $120,000 and proceeds from investors notes payable of $142,000 offset some of the cash used in operations. Payments totaling $226,612 were made to pay principal portions of notes payable during the year. During the fourth quarter of 2004, shares were sold to investors through a private placement offering which provided operating capital of approximately $645,000 to pay expenses incurred in the combination of Allergy Free and Planet Polymer and provide further support for sales and marketing efforts. The Company intends to continue its Private Placement Offering for an additional 90 days or more in an effort to provide more working capital and consider acquisition opportunities. No assurance can be given that the Company will be able to obtain such financing or internally generate cash flows, which may impact the Company s ability to continue as a going concern.

Inventories at December 31, 2004 decreased $65,128 or 77.4% to $19,012 compared to $84,140 at December 31, 2003. This decrease continues the trend started in 2003, that as sales and customer demand slipped during the year, inventory levels dropped as well, as management adjusted ordering levels to meet demand.

Recent Accounting Pronouncements

In December 2004, the FASB issued SFAS No. 123R, Share-Based Payment (SFAS 123R), a revision of SFAS No. 123, Accounting for Stock-Based Compensation, requiring that the compensation cost relating to share-based payment transactions, including grants of employee stock options, be measured and recognized in the financial statements using the fair value of the compensation awards. The provisions of SFAS 123R are effective for us for the first interim or annual reporting period that begins after December 15, 2005; therefore, the Company will adopt the new requirements no later than the beginning of its first quarter of fiscal 2006. Adoption of the expensing requirements will reduce the Company s reported earnings. Management is currently evaluating the two methods of adoption allowed by SFAS 123R; the modified-prospective transition method, and the modified-retrospective transition method.

In November 2004, the FASB issued SFAS No. 151, Inventory Costs, an amendment of ARB No. 43, Chapter 4 (SFAS 151). SFAS 151 clarifies that abnormal inventory costs such as costs of idle facilities, excess freight and handling costs, and wasted materials (spoilage) are required to be recognized as current period charges. The provisions of SFAS 151 are effective for fiscal years beginning after June 15, 2005. The adoption of SFAS 151 is not expected to have a significant impact on the Company s financial position or results of operations.

ITEM 7. *FINANCIAL STATEMENTS*

The information required by this item is included in the Appendix attached hereto.

ITEM 8. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES*

None.

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ITEM 8A. ***CONTROLS AND PROCEDURES***

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our independent registered public accounting firm has informed the Company of a material weakness in the Company s internal control over financial reporting due to a lack of segregation of duties regarding the reporting and disclosure of information required to be disclosed in the reports we file with the SEC. Based upon that information, the Company has already hired a Controller and other personnel to rectify the potential concern. After these recent changes, the Company carried out an evaluation, under the supervision of our management, including our Chief Executive Officer and Chief Financial Officer, of the design and operation of these new disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that with the recent changes our disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in our periodic SEC filings.

CHANGES IN INTERNAL CONTROLS

Based upon the advice of our independent registered public accounting firm, the Company has hired a Controller and other personnel to rectify the potential concern. After these recent changes, the Company carried out an evaluation, under the supervision of our management, including our Chief Executive Officer and Chief Financial Officer, of the design and operation of these new disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that with the recent changes our disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in our periodic SEC filings.

ITEM 8B. ***OTHER ITEMS***

None.

PART III.

ITEM 9. ***DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS***

Directors and Executive Officers

The names of directors and executive officers and certain information about each person is set forth below:

Name	Age	Principal Occupation
Scott L. Glenn	54	Chairman of the Board of Directors, President and Chief Executive Officer and Business Executive
Eric B. Freedus	55	Director, Attorney
H.M. Busby	66	Director, Private Investor
Michael Trinkle	51	Business Executive
Ellen M. Preston	49	Business Consultant
Leslie White	52	Secretary and Chief Financial Officer
Bret Megargel	36	Vice President

Scott L. Glenn was elected to the Board and appointed Chairman, President and Chief Executive Officer of Planet in November 2004. Since October 2000 he, or an affiliated entity controlled by him, has been the Manager and a member of Allergy Free, LLC. Mr. Glenn is also the Managing Partner of Windamere Venture Partners and its investment funds (Windamere I, LLC, Windamere II, LLC, and Windamere III, LLC), and has been since 1996. He also currently serves as a director and founder of GlobalEdge, Inc., Kanisa Pharmaceuticals, Cadence Pharmaceuticals, Veras Pharmaceuticals, Somaxon Pharmaceuticals, and

Conception Technologies through SR Technology Associates. Previously, from 1988 until 1995, Mr. Glenn served as President/ CEO, and then Chairman of Quidel Corporation, a leading point of care diagnostic business. Before serving in those capacities from 1983 through 1988, Mr. Glenn was vice president of development/operations of Quidel. From 1984 to 1992, Mr. Glenn served in numerous management positions, including Division/ General Manager at Allergan Pharmaceuticals, Inc. Mr. Glenn has a Bachelor of Science degree in Finance and Accounting from California State University at Fullerton.

Eric B. Freedus was elected to the Board in January 2005. Mr. Freedus has been an attorney in private practice since 1974 and is currently the president of the law firm of Frank and Freedus, APC. Mr. Freedus currently focuses his law practice in the area of special education litigation. Mr. Freedus received his undergraduate degree from the State University of New York at Buffalo in 1971 and his law degree from the University of Toledo in 1974.

H. M. Mac Busby has been a director of the Company since August 1997 when he was elected by the members of the Board of Directors to fill a vacancy on the Board. Mr. Busby was President and Chief Executive Officer and Chief Financial Officer of the Company from February 2003 until November 2004. In May 2003, Mr. Busby was appointed Secretary of the Company. Mr. Busby began his career in 1966 at Wisconsin Centrifugal, Inc. which included the position of Manager of Industrial and Public Relations. Mr. Busby has also served as Vice President of Human Relations and Administration for MCA Financial, Inc., a subsidiary of MCA, Inc. Mr. Busby was Chairman of Sun Protective International and Sun-Gard USA. Mr. Busby earned his B.S. in Business Administration from Indiana University.

Michael A. Trinkle currently serves as President of Conception Technologies, LP, and has held the position since 1993. Mr. Trinkle was also a member of Allergy Free, LLC, and served as its President from August 2001 to March 31, 2004. During the 15 years prior to joining Conception Technologies, LP, Mr. Trinkle was employed by Allergan Pharmaceuticals where he held management positions in the areas of operations, sales, marketing, and quality assurance. Mr. Trinkle was elected to the Board in November 2004.

Ellen M. Preston was a member of Allergy Free, LLC, since October 2000. In addition to being a member of Allergy Free, LLC, since 1998, Ms. Preston has been a business consultant advising medical device companies in the areas of strategic market assessment, business development, brand development and strategy, and communications. From 2000 until 2002, Ms. Preston was a venture partner with Windamere Venture Partners. While with Windamere Venture Partners, Ms. Preston was a founder of Dexcom, Inc., a corporation engaged in the development of an implantable glucose sensor, and founded Miramedica, Inc. a company specializing in computer-aided detection. Ms. Preston served as interim president of Miramedica, Inc., which was sold to Kodak in 2003. From 1997-1998, Ms. Preston was Vice President of Sales and Marketing for Amira Medical, Inc. She held a similar position with Biopsys Medical, Inc. from 1996-1997. Ms. Preston was elected to the Board in November 2004.

Leslie White has been the Controller of Allergy Free, LLC since late 2000 and is also a member of the Company. Prior to joining Allergy Free, LLC, Ms. White was Vice President and Controller of several privately held companies in the San Diego area and from 1990-1994 served as the Finance Manager and Controller of Quidel Corporation, a publicly-held company. Ms. White worked for the firm of Ernst & Young and was awarded a CPA certificate in 1989. Ms. White has an MBA from San Francisco State University.

Bret Megargel most recently served from 2002 to 2004 as Vice President of Business Development for Avera Pharmaceuticals, Inc., a private pharmaceutical development company. Mr. Megargel is a co-founder of Avera, and during his tenure led the successful licensing or acquisition of three novel pharmaceutical products from global pharmaceutical companies with combined deal value of greater than US$100 million. Prior to the founding of Avera, Mr. Megargel served as a Venture Partner for Windamere Venture Partners, from 1999 to 2003, during his tenure, he served as Vice President of Business Development for MD Edge, Inc., and Director of Business Development for Converge Medical, Inc., and was a member of the founding team of Dexcom, Inc. From 1991 to 1996, Mr. Megargel served as a consultant for Marketing Corporation of America, where he was a case manager for product development, licensing and acquisition, and marketing strategy projects for market leading healthcare clients. Mr. Megargel holds a B.A. in Economics from Dartmouth College, and an M.B.A. from the Stanford University Graduate School of Business.

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Board Committees and Meetings

During 2004, the Board of Directors held five (5) meetings. The Board of Directors has an Audit Committee and a Compensation Committee. In addition, in 2004 the Company s entire current Board acted as the Nominating Committee and nominated Scott Glenn, Michael Trinkle and Ellen Preston to serve as directors with Robert Petcavich and H. Mac Busby in compliance with the Asset Purchase Agreement dated March 18, 2004, and entered into by and between the Company and Allergy Free, LLC. On January 18, 2005, Robert Petcavich tendered his resignation as a director. On that same date, at a meeting of the Board of Directors, Mr. Eric B. Freedus was elected as a director of the Company.

On November 17, 2004, Michael Trinkle and H. Mac Busby were approved as Audit Committee members. The Audit Committee is responsible for the engagement of the Company s independent registered public accounting firm, consulting with that firm concerning the audit plan and reviewing the comments and recommendations resulting from their audit. The current Audit Committee Charter was adopted on January 25, 2005. While each of the members of the Audit Committee has significant knowledge of financial matters, neither of the Audit Committee members has been designated as an audit committee financial expert as defined under Item 401(e)(1) of Regulation S-B of the Securities Exchange Act of 1934, as amended. The Company believes that the current members of the Audit Committee can competently perform the functions required of them as members of the Audit Committee.

The Audit Committee has reviewed and discussed the audited financial statements with management and it has discussed with the independent registered public accounting firm the matters required to be discussed by SAS 61. Furthermore, the Audit Committee has received the written disclosures and the letter from the independent registered public accounting firm required by Independence Standards Board Standard No. 1 and has discussed with the independent registered public accounting firm their independence and based on the review of the financial statements and discussions with management and the independent registered public accounting firm, it recommended to the Board of Directors that the audited financial statements be included in this annual report.

On November 17, 2004, Ellen Preston and Robert Petcavich were approved as Compensation Committee members. Upon the resignation of Robert Petcavich and the election of Eric Freedus as a director, Mr. Freedus was named to replace Dr. Petcavich as a member of the Compensation Committee. The Compensation Committee is responsible for reviewing the compensation and benefits of the Company s executive officers, making recommendations to the Board of Directors concerning the compensation and benefits of the Company s executive officers and administering the Company s Stock Incentive Plans.

On November 17, 2004, Scott Glenn and Michael Trinkle were approved as Nominating Committee members The Nominating Committee will be responsible for identifying, evaluating, and recommending candidates to serve as directors of the Company and to serve as a focal point for communication between such candidates, the Board, and the Company s management and will make recommendations to the Board of Directors concerning the nomination of candidates to be elected by the Company s shareholders as a director of the Company.

On January 25, 2005, the Company adopted a code of ethics for its officers and other key personnel involved in the Company s operations.

During 2004, each Board member attended 75% or more of the aggregate of the meetings of the Board, and of the committees on which he or she served, held during the period for which he or she was a director or committee member, respectively.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act (Section 16(a)) requires the Company s directors and executive officers, and persons who own more than ten percent (10%) of a registered class of the Company s equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors, and greater than ten percent (10%)

shareholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company s knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2004, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent (10%) beneficial owners were filed. However, certain of the filings were late:

AF Partners, LLC, filed a Form 5 on January 18, 2005, to reflect stock issuance pursuant to the Asset Purchase Agreement between the Company and Allergy Free, dated November 30, 2004.

Ellen Preston filed a Form 5 on January 18, 2005, to reflect stock issuance pursuant to the Asset Purchase Agreement between the Company and Allergy Free, dated November 30, 2004.

Leslie White filed a Form 5 on January 18, 2005, to reflect stock issuance pursuant to the Asset Purchase Agreement between the Company and Allergy Free, dated November 30, 2004.

Mac Busby filed a Form 5 on January 20, 2004, to reflect the issuance of stock option grant on May 19, 2003.

Ronald Sunderland filed a Form 5 for the fiscal year ended December 31, 2004, to reflect his no longer being a director and therefore no longer subject to Section 16 reporting requirements.

ITEM 10. ***EXECUTIVE COMPENSATION***

Compensation of Directors and Executive Officers

Directors and Executive Officers may be granted options to purchase Common Stock under the Company s 1995 Stock Option Plan (1995 Option Plan) and the 2000 Stock Incentive Plan (2000 Incentive Plan). As of March 2005, the Board approved an amendment to the 2000 Incentive Plan to increase the authorized number of shares to 250,000 shares, which will be submitted to the shareholders at the next meeting of shareholders.

During 2004, options to purchase shares of the Company s Common Stock were granted to the Company s directors as follows: (a) on November 17, 2004, the Board granted stock options to Mr. Busby, Dr. Petcavich, Mr. Trinkle and Ms. Preston to purchase 500 shares of Planet common stock at an exercise price of $2.50 per share, and (b) on November 30, 2004, the board granted stock options to Scott Glenn to purchase 100,543 shares of Planet common stock at an exercise price of $3.50 per share.

During 2005, the Board granted stock options to (a) Eric Freedus to purchase 10,500 shares of Planet common stock at an exercise price of $3.00 per share as compensation for serving as a director, (b) Mr. Busby, Mr. Trinkle and Ms. Preston to purchase 10,000 shares of Planet common stock at an exercise price of $3.00 per share as compensation for serving as a directors, (c) Ms. White and Mr. Megargel to purchase 30,000 shares of Planet common stock at an exercise price of $3.00 per share as compensation for serving as officers of the Company, and (d) Mr. Glenn to purchase 25,000 shares of Planet common stock at an exercise price of $3.00 per share as compensation for serving as an officer of the Company.

Directors are reimbursed for reasonable travel expenses incurred in connection with attendance at Board meetings, or any committee meetings, or otherwise in connection with their service as a director.

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Compensation of Executive Officers

The following table sets forth, for the fiscal years ended December 31, 2004, 2003, and 2002 certain compensation awarded or paid to, or earned by the Company s Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Securities Underlying Options (#)	Other
Robert J. Petcavich	2004	$	$	500(1)	$
Former Chairman of the Board	2003		$		$ 47,180(3)
and Chief Technical Officer	2002	$ 170,038	$		$ 3,241(2)
H.M. Busby	2004	$	$	500(1)	$ 29,63(7)
Former Chief Executive Officer,	2003	$	$		$ 31,677(3)
President and Chief Financial Officer	2002	$	$		$
Richard C. Bernier	2004	$	$		
Former Chief Executive Officer	2003		$		$ 19,125(3)
and President	2002	$ 117,713	$		$
Scott Glenn	2004	$	$	100,543(4)	$
Chairman, Chief Executive Officer	2003	$	$		$
and President	2002	$	$		$
Leslie White(6)	2004	$ 52,031(5)	$		$
Secretary and Chief Financial Officer	2003	$ 51,445(5)	$		$
	2002	$ 51,015(5)	$		$

(1) Represents options granted November 17, 2004, for compensation as a director.

(2) Represents auto expense reimbursement paid by the Company.

(3) Represents consulting fees paid for their services to the Company in 2003.

(4) Represents an option granted on November 30, 2004, with an exercise price of $3.50 per share. 25,136 of the Options granted are currently exercisable, and the remaining options to purchase 75,407 shares begin vesting on November 30, 2005.

(5) Represents compensation paid by Allergy Free, LLC, prior to December 1, 2004, and by Planet after that date.

(6) Ms. White is employed by Conception Technologies, L.P., a California limited partnership (Conception), and for the past three years has devoted approximately fifty percent (50%) of her work time to the business of the Allergy Free (and after December 1, 2004 to the business of Planet Technologies, Inc.) Allergy Free (and now Planet) reimbursed Conception for approximately fifty percent (50%) of the compensation Conception pays to Ms. White as reflected in the table.

(7) Represents consulting fees paid to Mr. Busby for his services in 2004.

Stock Option Grants and Exercises

The Company s Executive Officers are eligible for grants of options under the Company s 1995 Stock Option Plan (the 1995 Option Plan) and the 2000 Stock Incentive Plan (the 2000 Incentive Plan). As of December 31, 2004, there were no shares available for grant under the Option Plans, which was expanded to 100,000 in November 2004.

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The following table sets forth information with respect to the number of securities underlying unexercised options held by the Executive Officers as of December 31, 2004, and the value of unexercised in-the-money options (i.e., options for which the current fair market value of the Common Stock underlying such options exceeds the exercise price):

Name	No. of Securities Underlying Options	Percent of Total Options Granted to Employees	Exercise Price ($/share)	Expiration Date
Scott Glenn	100,543	100%	$ 3.50	November 30, 2014

Aggregated Option Exercises Last Fiscal Year and Fiscal Year End Option Values

Name	Shares Acquired on Exercise (#)	Value Realized	Number of Securities Underlying Unexercised Options at Fiscal Year End(2)		Value of Unexercised In-the-Money Options at Fiscal Year End ($)(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
R Petcavich	1,000	-0-	250	500	$ 0	$ 0
H. M. Busby	2,000	-0-	360	500	$ 0	$ 0
Scott Glenn	-0-	-0-	25,136	75,407	$ 0	$ 0

(1) Calculated based on the estimated fair market value of the Company s Common Stock as of December 31, 2004, less the exercise price payable upon the exercise of such options. Such estimated fair market value as of December 31, 2004, was $.70, the last transaction price posted at the close of trading on December 31, 2004.

(2) The certain former directors of Planet surrendered Out of the Money stock options including Robert J. Petcavich, 3,294; and H.M. Busby 964.

Description of Employee Benefit Plans:

2000 Stock Incentive Plan

Planet s 2000 Stock Incentive Plan was approved by Planet s shareholders at its annual meeting of shareholders on May 1, 2000. The Board of Directors reserved 500,000 shares of common stock for issuance under the 2000 Plan, together with any remaining shares of common stock eligible for issuance under the 1995 Stock Option plan which expire unexercised. A committee consisting of Planet s Board of Directors or appointed Board members has the sole discretion to determine under which plan stock options and bonuses may be granted.

The purpose of the 2000 Incentive Plan is similar to that of the 1995 Plan, which was to attract and retain qualified personnel, to provide additional incentives to employees, officers, directors and consultants of the Company and to promote the success of the Company s business. As was the case under the 1995 Plan, under the 2000 Plan, Planet may grant or issue incentive stock options and non-statutory stock options to eligible participants, provided that incentive stock options may only be granted to employees of Planet. The 2000 Stock Incentive Plan also allows shares of common stock to be issued under a Stock Bonus Program through direct and immediate issuances. Similar to stock options granted under the Plan, stock bonus awards may be subjected to a vesting schedule determined by the Board of Directors. Option grants under both plans are discretionary. Options granted under both plans are subject to vesting as determined by the Board, provided that the option vests as to at least 20% of the shares subject to the option per year. The maximum term of a stock option under both plans is ten years, but if the optionee at the time of grant has voting power over more than 10% of the Company s outstanding capital stock, the maximum term is five years under both plans. Under both plans if an optionee terminates his or her service to Planet, such optionee may exercise only those option shares vested as of the date of termination, and must affect such exercise within the period of time after termination set forth in the optionee s option. The exercise price of incentive stock options granted under both plans must be at least equal to the fair market value of the Common Stock of the Company on the date of grant. Under both plans the exercise price of options granted to an optionee who owns stock possessing more than 10% of the voting power of Planet s outstanding capital stock must equal at least 110% of the fair market value of the common stock on the date of grant. Payment of the exercise price may be made in cash, by delivery of other shares of the Company s common stock or by any other form of legal consideration that may be acceptable to the Board.

401(k) Plan

The Company provides a defined contribution 401(k) savings plan (the 401(k) Plan) in which all full-time employees of the Company are eligible to participate. Eligible employees are permitted to contribute pre-tax salary to the 401(k) Plan subject to IRS limitations. Company contributions to the 401(k) Plan are at the discretion of the Board of Directors. There have been no Company contributions to the 401(k) Plan in 2004 or 2003.

Employment Agreements and Change in Control Arrangements

The Company has entered into an employment agreement with Scott L. Glenn as President/ CEO and Chairman of the Board of the Company for a three-year period, which expires on November 29, 2007, The Company agrees to pay Mr. Glenn a salary of $100 per month (plus healthcare and other benefits) until it is determined by the Board that the Company could afford to pay compensation comparable to CEOs of other similar companies. In exchange for foregoing a salary, the Company granted to Mr. Glenn stock options exercisable at the then fair market value at such time as may be required to maintain the aggregate number of stock options granted to Mr. Glenn at an amount not less than five (5%) percent of the issued and outstanding stock of the Company (on a fully diluted basis) during his three year term of employment.

The Company has entered into a Consulting Agreement with Dr. Petcavich pursuant to which he retains the 500 options granted to him as a director plus an hourly rate to be determined.

Prior to November 30, 2004 the Company had an agreement with H.M. Busby whereby the Company had agreed to pay Mr. Busby $100 per hour for work he performed on behalf of the Company.

In January 2005, the Company agreed to employ Bret Megargel as Vice President of Marketing and Business Development at an annualized salary of $96,000. In March 2005, Mr. Megargel s annual salary was increased to $192,000. Mr. Megargel was also issued 30,000 stock options under the 2000 Stock Option Plan.

ITEM. 11 *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCK HOLDER MATTERS*

Equity Compensation Plan Information

Plan category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	107,413	$ 8.193	None(2)
Equity compensation plans not approved by security holders(1)	N/A	N/A	N/A
Total	107,413	$ 8.193	None(2)

(1) The Company does not have any equity compensation plans that have not been approved by Shareholders.

(2) As of March 11, 2005, the Company has granted options exceeding the number of shares authorized by the shareholders under the 2000 Stock Incentive Plan by 130,913 shares. The Board has approved an

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amendment to the plan to increase the authorized number of shares to 250,000 shares, which will be submitted to the shareholders at the next meeting of shareholders.

The following table sets forth certain information regarding the ownership of the Company s Stock as of December 31, 2004 by: (i) each director and nominee for director; (ii) each of the Executive Officers named in the Summary Compensation Table; (iii) all executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than five percent (5%) of any class of the Company s Stock, based upon information reported to the Company or publicly available reports filed with the SEC.

Title of Class	Beneficial Owner	Beneficial Ownership Number of Shares(1)	Percentage of Class Owned(2)
Common	Scott L. Glenn(3) 6402 Cardeno Drive La Jolla, CA 92037	995,942	45.7%
Common	Eric B. Freedus(4) 1202 Ketner Blvd., Ste. 6000 San Diego, CA 92101	2,153	0.1%
Common	H.M. Busby(5) 3852 Alameda Place San Diego, CA 92103	7,012	0.3%
Common	Michael A. Trinkle(5) 3495 Via Zara Court Fallbrook, CA 92028	55,873	2.6%
Common	Ellen Preston(5) 1825 Sheridan Avenue San Diego, CA 92103	26,565	1.2%
Common	Leslie White(6) 18479 Calle La Serra Rancho Santa Fe, CA 92091	9,312	0.4%
Common	All executive officers and directors as a group	1,096,857	50.5%
Common	William and Lisa Barkett 7544 Eads #F La Jolla, CA 92037	308,456	14.1%
Common	J. Roberts Fosberg 2440 Toyon Road Healdsburg, CA 95448	158,382	7.3%
Common	Windamere III, LLC(7) 6402 Cardeno Dr. La Jolla, CA 92037	200,000	9.2%

(1) This table is based upon information supplied by officers, directors and principal shareholders and Schedules 13D and 13G filed with the Securities and Exchange Commission (the SEC). Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, the Company believes that each of the shareholders named in this table has sole voting and investment power with respect to the shares indicated

as beneficially owned.

(2) Percentage ownership is based upon the shares outstanding on March 11, 2005.

(3) Includes 770,806 shares owned by AF Partners, LLC, which is controlled by Mr. Glenn and 200,000 shares owned by Windamere III, LLC, over which Mr. Glenn shares control (see Note (5) below). Does not include options to purchase 75,407 shares which begin vesting on November 30, 2005. Does not include 25,000 shares issuable upon exercise of stock options which expire on January 25, 2015, and which begin vesting on January 25, 2006.

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(4) Does not include 500 shares issuable upon exercise of stock options which expire on January 18, 2015, and which begin vesting on January 18, 2006, or 10,000 shares issuable upon exercise of stock options which expire on January 25, 2015, and which begin vesting on January 25, 2006.

(5) Does not include 500 shares issuable upon exercise of stock options which expire on November 17, 2014, and which begin vesting on November 17, 2005, or 10,000 shares issuable upon exercise of stock options which expire on January 25, 2015, which begin vesting on January 25, 2006.

(6) Does not include 30,000 shares issuable upon exercise of stock options which expire on January 31, 2015, and which begin vesting on January 31, 2006.

(7) Windamere III, LLC, is under the joint control of Mr. Glenn and St. Paul Traveler s Companies, Inc., its affiliates Split-Rock Partners, LLC, and St. Paul Fire and Marine Insurance Company, whose business address is 385 Washington Street, St. Paul, Minnesota 55102.

ITEM 12. ***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.***

On November 30, 2004, Planet acquired all of the assets of Allergy Free, LLC, which is the historical business described in this 10-KSB for approximately 1.65 million shares of Planet stock (after giving effect to the reverse stock split), a convertible note of $274,300, and assumption of debt. The transaction was completed pursuant to an Asset Purchase Agreement between Planet and Allergy Free, LLC. (Agreement) As a result of the acquisition, Allergy Free s historical financial information is included in the consolidated financial results of Planet. Allergy Free, LLC, was and is controlled by Scott Glenn, who became Planet s Chairman, President and CEO.

During the period from November 30, 2004, through January 10, 2005, Planet has sold approximately 314,000 shares to investors, pursuant to subscription agreements and in reliance upon an exception from registration provided under Regulation D. 200,000 of the shares were sold to a fund controlled by Scott Glenn.

Since January 1, 2004, the Company has issued and sold 7,500 shares in connection with the exercise of certain stock options by current and former directors of the Company.

Mr. Freedus requested to be named a director and the Company agreed to appoint Mr. Freedus as a director based upon his and his family s share holdings in Planet and the Company s evaluation of Mr. Freedus background and qualification to serve as a director. There are no arrangements or understandings between Mr. Freedus and any other persons regarding how long Mr. Freedus will continue to serve as a director.

Over the previous two (2) year period, there has been no transaction or proposed transaction between the Company and Mr. Freedus.

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ITEM 13. ***EXHIBITS.***

(a) 1. *Financial Statements.* Financial statements are attached as the Appendix to this report. The index to the financial statements is found on page F-1 of the Appendix.

2. *Exhibits.*

Exhibit Number	Description
2.1(8)	Asset Purchase Agreement dated March 18, 2004, between the Company and Allergy Free.
2.2(12)	Amendments to Asset Purchase Agreement dated March 18, 2004.
3.1(1)	Restated Articles of Incorporation of the Registrant.
3.2(1)	Restated Bylaws of the Registrant.
3.3(11)	Certificate of Amendment of Articles of Incorporation of Company dated November 30, 2004.
4.1	Reference is made to Exhibits 3.1, 3.2 and 3.3.
4.6(1)	Specimen Stock Certificate.
10.1(1)	Form of Indemnity Agreement entered into between the Registrant and certain of its executive officers and directors.
10.2(1)	Registrant s 1995 Stock Option Plan (the 1995 Option Plan).
10.3(1)	Form of Incentive Stock Option Grant under the 1995 Option Plan.
10.4(1)	Form of Non-statutory Stock Option Grant under the 1995 Option Plan.
10.5(1)	Agreement to Assign Proprietary Rights between the Registrant and Dr. Robert J. Petcavich.
10.6(1)	Form of Confidential Information Agreement entered into between the Registrant and certain former employees.
10.7(2)	Warrant to Purchase Common Stock, dated March 9, 2000, issued by the Registrant to LBC Capital Resources, Inc.
10.8(3)	Registrants 2000 Stock Incentive Plan (the 2000 Plan).
10.9(3)	Form of Incentive Stock Option Grant under the 2000 Plan.
10.10(3)	Form of Non-statutory Stock Option Grant under the 2000 Plan.
10.11(5)	Warrant to purchase Common Stock, dated March 20, 2001, issued by the Registrant to LBC Capital Resources, Inc.
10.12(6)	Form of Sale and License Agreement dated March 2003 with Agway, Inc. (animal feed products).
10.13(6)	Form of Sale and License Agreement dated March 2003 with Agway, Inc. (fruit and vegetable products).
10.14(6)	Form of First Amendment to License Agreement with Agway, Inc.
10.15(13)	Form of Consulting Agreement with Robert Petcavich.
10.16(6)(7)	Form of Purchase Sale and License Agreement dated May 1, 2003, with Ryer Enterprises, LLC.
10.17(9)	Form of Amendment dated January 31, 2004, to Purchase, Sale and License Agreement with Ryer Enterprises, LLC.
10.18(10)	Form of Royalty Contract dated on or about June 2004 with Ryer, Inc.
10.19(13)	Form of Employment Agreement with Scott Glenn.
10.20(13)	Form of subscription agreement for 2004 private placement.
10.21	Form of Agreement and Plan of Merger dated March 7, 2005, with Allergy Control Products and Jonathon T. Dawson.
10.22	

	Form of Sub-Lease Agreement dated November 1, 2003, with Conception Technologies, L.P.
10.23	Form of License Agreement dated January 1, 1997, and amendments thereto, with Rick L. Chapman.
10.24	Form of Supply Agreement dated January 27, 2004, with American Metal Filter Company.

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Exhibit Number	Description
10.25	Form of Royalty Liquidation Trust dated as of November 29, 2004, with U.S. Bank.
10.26	Form of employment agreement effective February 1, 2005, with Bret Megargel.
11.1(2)(4)	Statement of Computation of Common and Common Equivalent Shares.
14.1	Code of Business Conduct and Ethics.
23.1	Consent of J.H. Cohn LLP.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(1) Previously filed as an exhibit to the Registrant s Registration Statement on Form SB-2, as amended (No. 33-91984 LA) and incorporated herein by reference.

(2) Previously filed as an exhibit to the Registrant s Annual Report on Form 10-KSB filed for the fiscal year ended December 31, 1999 and incorporated herein by reference.

(3) Previously filed as an exhibit to the Registrant s Registration Statement on Form S-8 (No. 333-38500) filed on June 2, 2000 and incorporated herein by reference.

(4) Previously filed as an exhibit to the Registrant s Quarterly Report on Form 10-QSB for the quarter ended June 30, 2000.

(5) Previously filed as an exhibit to the Registrant s Quarterly Report on Form 10-QSB for the quarter ended March 31, 2001.

(6) Previously filed as an exhibit to the Registrant s Annual Report on Form 10-KSB filed for the fiscal year ended December 31, 2002 and incorporated herein by reference.

(7) Previously filed as an exhibit to the Registrant s Quarterly Report on Form 10-QSB for the quarter ended March 31, 2003.

(8) Previously filed as an exhibit to the Registrant s Form 8K filed March 23, 2004 Report.

(9) Previously filed as an exhibit to the Registrant s Annual Report on Form 10-KSB for the quarter ended December 31, 2003.

(10) Previously filed as an exhibit to the Registrant s Quarterly Report on Form 10-QSB for the quarter ended June 30, 2004.

(11) Previously filed as an exhibit to the Registrant s Form 8K filed December 16, 2004 Report.

(12) Previously filed as an exhibit to Registrant s Proxy Statement dated October 20, 2004.

(13) Previously filed as an exhibit to Registrant s SB-2 dated February 4, 2005.

ITEM 14. *PRINCIPAL ACCOUNTANT FEES AND SERVICES*

Audit Fees

For professional services rendered by the independent registered public accounting firm for the audit of the Company s annual financial statements and review of financial statements included in the Company s Form 10-QSB. The aggregate fees billed by the Company s independent registered public accounting firm, J.H. Cohn LLP, for 2004 and 2003 were $34,300 and $21,850, respectively.

Audit Related Fees

The aggregate fees billed in 2004 and 2003 by the Company s independent registered public accounting firm for assurance and related services by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of the Company s financial statements are in the amount of $10,660 and $0, respectively.

Tax Fees

No fees were billed in 2004 and 2003 by the Company s independent registered public accounting firm for tax compliance, tax advice and tax planning.

All Other Fees

No fees were billed in 2004 and 2003 by the Company s independent registered public accounting firm for any other services, other than Audit Fees and Audit Related Fees.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PLANET TECHNOLOGIES, INC.
By: /s/ Scott L. Glenn
Scott L. Glenn
Chief Executive Officer

Dated March 31, 2005

By: /s/ Leslie White
Leslie White
Chief Financial Officer and Principal Accounting Officer

Dated March 31, 2005

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints H. M. Busby, his attorney-in-fact, each with the power of substitution, for him, in any and all capacities, to sign any amendments to this report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and conforming all that each the attorney in-fact, or his substitute may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ellen Preston	Director	March 31, 2005
Ellen Preston		
/s/ H. M. Busby	Director	March 31, 2005
H. M. Busby		
/s/ Michael Trinkle	Director	March 31, 2005
Michael Trinkle		
/s/ Eric Freedus	Director	March 31, 2005
Eric Freedus		

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Planet Technologies, Inc.

We have audited the accompanying balance sheet of Planet Technologies, Inc., formerly Planet Polymer Technologies, Inc., as of December 31, 2004, and the related statements of operations, shareholders deficiency and cash flows for the years ended December 31, 2004 and 2003. 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 audit 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 Planet Technologies, Inc. as of December 31, 2004, and its results of operations and cash flows for the years ended December 31, 2004 and 2003, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company has experienced recurring net losses resulting in a shareholders deficiency of $504,400, as of December 31, 2004. In addition, the Company has a working capital deficiency of