

Arrayit Corp
Form 10-Q
May 21, 2010

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

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended March 31, 2010

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Transition Period From to

Commission File No. 001-16381

ARRAYIT CORPORATION
(Exact name of registrant as specified in its charter)

Nevada
(State of other jurisdiction of incorporation)

76-0600966
(I.R.S. Employer Identification No.)

524 East Weddell Drive Sunnyvale, CA
(Address of Principal Executive Office)

94089
(Zip Code)

Registrant's telephone number, including area code: (408) 744-1331

Securities registered pursuant to Section 12 (b) of the Act: NONE

Securities registered pursuant to Section 12 (g) of the Act: Common Stock \$0.001 par value

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 23,306,545 shares of the Registrant’s common stock outstanding at May 21, 2010.

Form 10-Q
For the Quarterly Period Ended March 31, 2010

TABLE OF CONTENTS

	Page
PART I. FINANCIAL INFORMATION	
Item 1.	4
Consolidated Financial Statements	
Consolidated Balance Sheets at March 31, 2010 (unaudited) and December 31, 2009	4
<u>Consolidated Statements of Income for the three months ended March 31, 2010 and 2009 (unaudited)</u>	5
Consolidated Statement of Cash Flows for the three months ended March 31, 2010 and 2009 (unaudited)	6
<u>Notes to Consolidated Financial Statements</u>	7
Item 2.	18
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	
Item 3.	23
<u>Quantitative and Qualitative Disclosure About Market Risk</u>	
Item 4T.	23
<u>Controls and Procedures</u>	
PART II. OTHER INFORMATION	
Item 1.	24
<u>Legal Proceedings</u>	
Item 1A.	24
<u>Risk Factors</u>	
Item 2.	24
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	
Item 3.	24
<u>Defaults Upon Senior Securities</u>	
Item 4.	24
<u>Submission of Matters to a Vote of Security Holders</u>	
Item 5.	24
<u>Other Information</u>	
Item 6.	24
<u>Exhibits</u>	
<u>Signatures</u>	25
Exhibit 31.1	
Exhibit 31.2	
Exhibit 32.1	
Exhibit 32.2	

This report contains trademarks and trade names that are the property of Arrayit Corporation and its subsidiaries, and of other companies, as indicated.

FORWARD-LOOKING STATEMENTS

Portions of this Form 10-Q, including disclosure under “Management’s Discussion and Analysis or Plan of Operation,” contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements are subject to risks and uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. You should not unduly rely on these statements. Forward-looking statements involve assumptions and describe our plans, strategies, and expectations. You can generally identify a forward-looking statement by words such as may, will, should, expect, anticipate, estimate, believe, intend, contemplate or project. Factors, risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements include, among others,

- our ability to raise capital,
- our ability obtain and retain customers,

- our ability to provide our products and services at competitive rates,
- our ability to execute our business strategy in a very competitive environment,

- our degree of financial leverage,
- risks associated with our acquiring and integrating companies into our own,

- risks related to market acceptance and demand for our services,
- the impact of competitive services,

- other risks referenced from time to time in our SEC filings.

With respect to any forward-looking statement that includes a statement of its underlying assumptions or bases, we caution that, while we believe such assumptions or bases to be reasonable and have formed them in good faith, assumed facts or bases almost always vary from actual results, and the differences between assumed facts or bases and actual results can be material depending on the circumstances. When, in any forward-looking statement, we or our management express an expectation or belief as to future results, that expectation or belief is expressed in good faith and is believed to have a reasonable basis, but there can be no assurance that the stated expectation or belief will result or be achieved or accomplished. All subsequent written and oral forward-looking statements attributable to us, or anyone acting on our behalf, are expressly qualified in their entirety by the cautionary statements. We do not undertake any obligations to publicly release any revisions to any forward-looking statements to reflect events or circumstances after the date of this report or to reflect unanticipated events that may occur.

PART I – FINANCIAL INFORMATION

ITEM 1.

ARRAYIT CORPORATION
CONSOLIDATED BALANCE SHEETS

	March 31, 2010 (unaudited)	December 31, 2009
ASSETS		
Current Assets		
Cash	\$-	\$-
Accounts receivable, net of allowance for doubtful accounts of \$100,000	95,348	71,944
Inventory	240,589	241,436
Prepaid expenses	12,500	12,500
Total current assets	348,437	325,880
Property and equipment, net		
Property and equipment, net	63,068	68,688
Restricted cash	100,305	100,293
Deposits	18,924	18,924
Total current assets	\$530,734	\$513,785
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	\$5,525,558	\$5,320,239
Bank overdraft	43,569	31,076
Due to related parties	501,116	459,116
Customer deposits	101,827	65,687
Notes payables, current portion including related parties	831,251	852,931
Total current liabilities	7,003,321	6,729,049
Notes payable, long term	144,305	180,656
Total liabilities	7,147,626	6,909,705
Commitments and contingencies	-	-
Stockholders' Deficit		
Preferred stock, 20,000,000 authorized		
Preferred stock, Series 'A' 22,166 and 25,620 shares issued and outstanding	22	25
Preferred stock, Series 'C' 92,829 and 103,143 shares issued and outstanding	93	103
Common stock, \$0.001 - par value, voting, 480,000,000 shares authorized, 23,306,545 and 19,085,859 issued and outstanding	23,116	18,896