

Arrayit Corp
Form 10-Q/A
August 29, 2011

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q/A

(Amendment No. 1)

(Mark One)

**QUARTERLY REPORT
PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the Quarterly Period Ended
June 30, 2011**

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

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 26,508,496 shares of the Registrant's common stock outstanding at June 30, 2011.

Form 10-Q/A

For the Quarterly Period Ended June 30, 2010

EXPLANATORY NOTE

This amended Form 10-Q/A is being filed to correct minor clerical errors in our original Form 10-Q for the quarter ended June 30, 2011 which was filed on August 22, 2011. The corrections had no impact on previously reported revenues, expenses, net loss, earnings (loss) per share, assets, liabilities, stockholders' equity or cash flows.

Item 3.	Operations Quantitative and Qualitative Disclosure About Market Risk	23
Item 4.	Controls and Procedures	23

PART II. OTHER INFORMATION

Item 1.	Legal Proceedings	24
Item 1A.	Risk Factors	24
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	24
Item 3.	Defaults Upon Senior Securities	24
Item 4.	Removed and Reserved	24
Item 5.	Other Information	24
Item 6.	Exhibits	24
Signatures		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/A, including disclosure under Management's Discussion and Analysis of Financial Position and Results of Operations, 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**

	June 30, 2011 (unaudited)	December 31, 2010
ASSETS		
Current Assets		
Cash	\$ 1,761	\$ 10,833
Accounts receivable, net of allowance for doubtful accounts of \$100,000 and \$133,000, respectively	227,518	187,242
Inventory	203,658	301,936
Prepaid expenses	14,803	-
Total current assets	447,740	500,011
Property and equipment, net	28,324	40,111
Deposits	18,365	18,924
Total assets	\$ 494,429	\$ 559,046
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,543,414	\$ 6,436,439
Bank overdraft	21,640	-
Due to related parties	612,616	645,116
Customer deposits	134,677	160,370
Notes payables, current portion including related parties	1,171,161	1,139,765
Total current liabilities	8,483,508	8,381,690
Notes payable, long term	-	86,319
Total liabilities	8,483,508	8,468,009
Commitments and contingencies	-	-

Stockholders' Deficit

Preferred stock, 20,000,000 authorized		
Preferred stock, Series 'A' 22,034 shares issued and outstanding	22	22
Preferred stock, Series 'C' 91,259 and 91,887 shares issued and outstanding	91	92
Common stock, \$0.001 par value, voting, 480,000,000 shares authorized, 26,508,496 and 25,992,486 issued and outstanding	26,318	25,802
Additional paid-in capital	16,480,063	16,397,878
Accumulated deficit	(24,481,044)	(24,345,983)
Total Arrayit Corp s Stockholders Equity (Deficit)	(7,974,550)	(7,922,189)
Non-controlling interest		
Royalty interests	285,000	285,000
Less: Subscriptions receivable	(13,750)	(13,750)
Interest in subsidiaries earnings	(285,779)	(258,024)
Total Non-controlling interests	(14,529)	13,226
Total stockholders' deficit	(7,989,079)	(7,908,963)
Total liabilities and stockholders' deficit	\$ 494,429	\$ 559,046

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

CONSOLIDATED STATEMENTS OF OPERATIONS**(Unaudited)**

	Three Months ended	June 30		Six months ended
	2011	2010	2011	June 30
				2010
Total Revenues	\$804,125	\$ 792,110	\$ 1,781,392	\$1,456,968
Cost of Sales	519,391	469,345	1,071,942	837,187
Gross Margin	284,734	322,765	709,450	619,781
Selling, General and Administrative	333,278	1,558,947	701,677	2,407,488
Research and Development	8,152	92,825	19,207	169,099
Legal Expense	35,529	70,785	50,920	126,848
Profit (loss) from operations	(92,225)	(1,399,792)	(62,354)	(2,083,654)
Interest expense	(53,031)	(63,086)	(100,462)	(104,195)
Net loss	(145,256)	(1,462,878)	(162,816)	(2,187,849)
Less: Net loss attributable to the Non-controlling interest	(15,089)	(38,529)	(27,755)	(47,758)
Net Loss attributable to common stockholders	\$(130,167)	\$(1,424,349)	(135,061)	(2,140,091)
Profit (Loss) per share - basic	\$(0.00)	\$ (0.06)	\$(0.01)	\$(0.10)
Basic weighted average number of common shares	26,456,607	24,162,953	26,328,337	22,344,211

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

ARRAYIT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended	
	June 30	
	2011	2010
Cash flows from operating activities:		
Net income (loss)	\$ (162,816)	\$ (2,187,849)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	15,077	15,305
Amortization	8,916	51,337
Warrants for compensation	-	103,431
Stock paid for services	82,700	1,359,500
Changes in operating assets and liabilities		
Accounts receivable	(40,276)	(14,562)
Inventory	98,278	20,020
Prepays	(14,803)	12,500
Deposits	559	-
Restricted cash	-	100,293
Accounts payable and accrued liabilities	143,582	288,754
Bank overdraft	21,640	(31,076)
Due to related parties	(32,500)	74,717
Customer deposits	(25,693)	36,140
Net cash provided by (used in) operating activities	94,664	(171,490)
Cash flows from investing activities:		
Cash paid for purchase of fixed assets	(3,290)	(2,032)
Net cash provided by (used in) investing activities	(3,290)	(2,032)
Cash flows from financing activities:		
Proceeds from loans, net	-	147,326
Repayment of notes payable	(100,446)	(66,557)
Proceeds from issuance of warrants	-	82,674
Proceeds from option exercise	-	51,200
Net cash provided by (used in) financing activities	(100,446)	214,643
Net increase (decrease) in cash	(9,072)	41,121
Cash, beginning of period	10,833	-
Cash, end of period	\$ 1,761	\$ 41,121
Supplemental cash flow information:		