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

Form 10-K

(Mark One)

x ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

o TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM __________ TO __________
COMMISSION FILE NUMBER ________________________________

3DICON CORPORATION
(Name of small business issuer in its charter)

OKLAHOMA	73-1479206
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6804 South Canton Avenue, Suite 150, Tulsa, OK 74136
(Address of principal executive offices) (Zip Code)

Issuer's telephone Number: (918) 494-0505

Securities registered under Section 12(b) of the Exchange Act: None.

Securities registered under Section 12(g) of the Exchange Act: None

Indicate by check mark is the issuer is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act
Yes o No x

Indicate by check if the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.
Yes o No x

Indicate by check mark 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. Yes x No o

Indicate by check if no disclosure of delinquent filers in response to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein and will not 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-K. o

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.

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o	Smaller reporting company x

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

State issuer's revenues for its most recent fiscal year: $42,900

The aggregate market value of the voting and non-voting common equity held by non-affiliates, computed by reference to the average bid and asked price of such common equity as of June 30, 2008 was $7,723,618.

As of March 31, 2009, the issuer had 175,505,294 outstanding shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE: NONE

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PART I

ITEM 1. BUSINESS.

Corporate History

3DIcon Corporation (the Company) was incorporated on August 11, 1995, under the laws of the State of Oklahoma as First Keating Corporation. Our articles of incorporation were amended August 1, 2003 to change the name to 3DIcon Corporation. The initial focus of First Keating Corporation was to market and distribute books written by its founder, Martin Keating. During 2001, First Keating Corporation began to focus on the development of 360-degree holographic technology. The effective date of this transition is January 1, 2001. We have accounted for this transition as a reorganization and accordingly, restated its capital accounts as of January 1, 2001. At the inception in January 1, 2001, our primary activity was the raising of capital in order to pursue its goal of becoming a significant participant in the formation and commercialization of interactive, optical holography for the communications and entertainment industries.

In April 2004, we engaged the University to Oklahoma to conduct a pilot study to determine the opportunity and feasibility for the creation of volumetric 3 dimensional communication systems.

On July 15, 2005, we entered into a Sponsored Research Agreement with the University (Phase II), which expired on January 14, 2007. Under this agreement, the University conducted a research project entitled "Investigation of 3-Dimensional Display Technologies".

On February 23, 2007, we entered into a sponsored research agreement with the University of Oklahoma (Phase III) which expires on March 31, 2010. Under this agreement, the University will conduct a research project entitled “3-Dimensional Display Development”.

In the fourth quarter of 2007 we announced the release of our first product, “Pixel Precision”. This is a companion software application to the DMD Discovery ™ line of products manufactured by Texas Instruments®.

The Oklahoma Center for the Advancement of Science and Technology (“OCAST”) approved our application for funding of a matching grant titled 800 Million Voxels Volumetric Display, on November 19, 2008. The two-year matching grant, totaling $299,932, has a start date of January 1, 2009. The award is for a maximum of $149,940 for 2009 and the remainder for 2010. Funding beyond 2009 is contingent upon satisfactory performance evaluation and the availability of funds.

General Overview

We are a development stage company. Our mission is to pursue, develop and market full-color, 360-degree holographic or volumetric 3-D technology. Through a Sponsored Research Agreement with the University of Oklahoma, we have obtained the exclusive world-wide marketing rights to certain 3D display technologies under development by the University. The development to date has resulted in the University filing seven provisional patents; six of the seven provisional patents have been combined and converted to four utility patents. At this time, we do not own any intellectual property rights in holographic technologies, and, apart from the Sponsored Research Agreement with the University of Oklahoma, have no contracts or agreements pending to acquire such rights or any other interest in such rights. We plan to market the technology and the intellectual property developed by the University of Oklahoma by targeting various industries, such as retail, manufacturing, entertainment, medical, healthcare, transportation, homeland security and the military.

Overview of Development of 3D Technology

Holography as a means of wavefront, or 3D image, reconstruction was first introduced by Dennis Gabor in 1948 when he developed a process for recording the amplitude and phase of an optical wavefront. The word “holography” is derived from the Greek words *holos* (whole) and *graphein* (to write), and Gabor coined the term “hologram” to refer to a “total recording.” The widespread practice of holography took off in the early 1960s with the invention of the laser. Since that time, holography has been used in a variety of applications, many in routine commercial use today. *Digital holography* refers to the use of digital computers to create holograms, sometimes referred to as *computer-generated holograms*. Upon undertaking this investigation into the use of digital holography as a viable technology for 3D imaging and visualization, we found that holography is often the starting point for technologists seeking to realize practical commercial systems, but in practice, many solutions involve other approaches such as stereoscopic and swept-volume techniques.

A team of researchers led by Harold Garner at the University of Texas Southwestern Medical School at Dallas is working on a *HoloTV* project to develop technology that can deliver 3D moving images for applications in medical imaging, “heads up” displays, video games, and air traffic control display. Current development efforts involve the use of the Digital Micromirror Device from Texas Instruments, as well as eight-layer liquid-crystal screen. The DMD focuses image points on various locations throughout the screen to produce 3D images.

Stereoscopic techniques are being investigated as a means of achieving 3D imaging and display. A recent paper by Jang and Javidi describes a technique called 3D projection integral imaging to create 3D orthoscopic virtual images. The technique employs a micro-convex-mirror array to convert inputs from 2D image sensors to 3D images with a viewing angle of over 60 º and has been successfully demonstrated in the laboratory. Another paper by Choi *et al* reports on the construction of a novel full-color autostereoscopic 3D display system using scaling constraints and phase quantization leveling to reduce the color dispersion and the phase difference. The system employs color-dispersion-compensated (CDC) synthetic phase holograms (SPHs) to create 3D images and video frames that don’t require the use of special glasses for viewing. While both of these technical approaches have been successfully demonstrated in a laboratory environment, neither easily lends itself to the kind of embodiment envisioned by 3DIcon.

Sato *et al* report identifies *space projection method* for producing 3D images using DMDs. This method uses a volumetric screen of water particles upon which color 3D images can be projected using the combination of a white light laser, variable color filter, and DMD. The authors report that this so-called electro-holographic display is capable of producing color 3D images with a large viewing angle. We believe that this approach has merit, but also presents barriers to commercial implementation, particularly from a cost and size perspective.

Pursuant to the Sponsored Research Agreement, a portfolio of 3D Display Technologies is being developed in using the following approaches:

- I – Swept Volume Displays (we have successfully achieved the initial demonstration and proof of technology for this approach)
- II – Static Volumetric Displays (Under Glass)
- III – Stacked Volume Displays- We also have investigated the technologies for developing innovative Stacked Volumetric Displays. We are currently in the process of evaluating the commercialization potential of such technologies.
- IV – Free Space Volumetric Displays: Our ultimate goal is to develop Free Space Volumetric Displays. Our future plans include the possible use of magnetic nano particles to achieve this among others.

The Swept Volume Display is designed to be a 3D display system showing a volumetric image generated from an electronic medium. A proof-of-concept demonstration has been achieved by the researchers around September 2007. The Swept Volume Display R&D is now entering into the subsequent second stage of improvement and development. Initial target markets for swept volume displays would include retail, advertising industry and large venue applications.

The Static Volume Display technology will employ DMDs using infra-red lasers to produce 3D images in advanced transparent nanotechnology materials, thereby enabling the creation, transmission and display of high resolution 3D images within a volume space, surrounded by glass or transparent screen. The Free Space technology will build upon the Static Volume technology so as to eliminate the need for an enclosed vessel, thereby enabling the creation, transmission and display of high resolution 3D images in free space utilizing a portable system. The initial investigation for the Static Volume system commenced in 2007. There is currently no estimated prototype/demonstration date for this technology.

University of Oklahoma - Sponsored Research Agreement

On April 20, 2004, we entered into a Sponsored Research Agreement entitled "Investigation of Emerging Digital Holography Technologies" ("Phase I") with the University of Oklahoma (University), which expired October 19, 2004. We have paid the University $14,116 pursuant to this agreement. The purpose of this agreement was to conduct a pilot study to investigate digital holography as a candidate technology for the development of three-dimensional ("3D") imaging and visualization systems. The purpose of the pilot study was to investigate the current state-of-the-art research and development activities taking place in the field of digital holography, particularly emerging technologies. The scope of work for the study encompassed the following tasks:

- Literature review to determine key leading edge research in relevant areas;
- Review of related commercial products to identify technological approaches and potential competitors and/or partners;
- Preliminary patent review;
- Recommendations for product research and development directions.

On July 15, 2005, we entered into a Sponsored Research Agreement with the University, which expired on January 14, 2007. Under this agreement, the University conducted a research project entitled "Investigation of 3-Dimensional Display Technologies" and the Company agreed to pay the University $453,584 at various dates from November 10, 2005 through July 15, 2006 to cover the costs of the research. The goals for this research were as follows:

- To produce patentable and/or copyrightable intellectual property;
- To produce proof-of-concept technology that demonstrates the viability of the intellectual property;
- To assess opportunities for manufacturing technological products in Oklahoma;
- Investigate magnetic nanospheres (MNs) for use as a projection media;
- Develop a control platform to actively distribute (MNs) in an unbounded volumetric space;
- Investigate the doping of MNs with fluorescent materials for light emission at different wavelengths, i.e., develop fluorescent MNs (FMNs);
- Evaluate other display medium technologies for potential strategic partnerships;
- Evaluate the most appropriate (from a cost-to-benefit standpoint) solid-state light sources for projection applications;
- Develop software for displaying ideal 3D images;
- Investigate software interface issues with other image capture technologies.

The final payment of $226,792, due on July 15, 2006, was not paid. On November 1, 2006 the Sponsored Research Agreement was modified to provide $125,259 additional funding, extend the term of the agreement through March 31, 2007, and revise the payment schedule to combine the July 15, 2005 remaining balance due of $226,792 with the additional funding into a revised payment schedule. Under the terms of the agreement, we agreed to pay the combined remaining obligation of $352,051 in four equal monthly installments of $88,013 beginning on December 31, 2006 through March 31, 2007.

On February 23, 2007, we entered into a sponsored research agreement with the University of Oklahoma (Phase III) which expires on March 31, 2010. Under this agreement, the University will conduct a research project entitled "3-Dimensional Display Development". We will pay the University $3,468,595 in monthly installments ranging from $92,263 to $112,777 beginning on April 30, 2007 and ending on March 31, 2010.

On October 31, 2008 OU agreed to revise the payment terms under the SRA from a fixed monthly payment to a reimbursable cost payment basis effective September 1, 2008. As of September 30, 2008 we had a remaining obligation under the previous SRA payment schedule of $2,665,818 which includes monthly payments due for December 2007 through August 31, 2008 of $861,131. The $1,804,687 balance of the remaining scheduled payment obligation was cancelled. Under the terms of the revised base payments schedule, the arrearages will be paid in nine monthly base installments from October 31, 2008 to June 30, 2009 of amounts ranging from $35,000 to $101,132 leaving a remaining balance after the base payments of $290,000. In addition to the monthly base payments, we agreed to make additional payments on the $861,131 arrearages based on a formula of 50% of funding in excess of $120,000 plus the base monthly payment. In the event funding does not provide for any additional payments, the remaining balance would be $290,000, which OU agreed to accept 4,264,707 shares of the our common stock based on the October 14, 2008 market price as reported on the OTC Bulletin Board of $0.068 per share as payment on June 30, 2009. We have the option to repurchase the shares at $0.068 per share by September 30, 2009 or at market value, but not less than $0.068 per share, if the repurchase occurs after September 30, 2009.

During the years ended December 31, 2008 and 2007, we charged operations $953,802 and $1,020,888, respectively pursuant to the SRA. At December 31, 2008, we owed the University $198,365 in aggregate monthly payments and $741,131 on the arrearages under the revised payment terms.

We own all worldwide rights to commercial and government usage of the intellectual property being developed by the University of Oklahoma. The University of Oklahoma has applied for the following patents with the U.S. Patent and Trademark Office:

Description of Provisional Patent Application as Filed	Description of Utility Patent Application Filing (Combined)	Date of Filing
Swept Volume Display	Swept Volume Display	September 2006
Colorful Translation Light Surface 3D Display Colorful Translation 3D Volumetric Display 3D Light Surface Display	Light Surface Display for Rendering Three-Dimensional Image (Combined)	April 2007
Volumetric Liquid Crystal Display	Volumetric Liquid Crystal Display for Rendering Three-Dimensional Image (Combined)	April 2007
Computer System Interaction with DMD	Computer System Interaction with DMD	January 2008
Virtual Moving Screen for Rendering Three Dimensional Image	Utility Patent Application to be filed	January 2008 (Provisional)

Marketing and Product Development

We produced our first product "Pixel Precision" in 2007. The product has been made commercially available through a sales and distribution arrangement with Digital Light Innovations that was signed March 6, 2008. This product is a result of our research efforts involving the use of Digital Micromirror Device ("DMD"). The product is targeted at the application development market involving the use of DMDs, specifically the DMD-Discovery™ line from Texas Instruments™.

We do not have any products, services or technologies in the area of 3 Dimensional Displays as yet. We envision the sale of co-produced products with partners in various industry verticals, the licensing of University-owned technology, or a combination thereof.

We have identified the following potential markets and uses for the technology being developed by the University of Oklahoma:

- Digital Displays: Large Format, Retail Advertising;
- Air Traffic Systems, Traffic Planning; Town Planning;
- Pharmaceutical and Bio-Medical Research;
- Homeland Defense and Security;
- Architectural plans and virtual structures;
- Interactive entertainment;
- Geo-Spatial Applications;
- Casino Gaming; and
- Military Applications.

Competition

There are numerous technologies which are under development to enable the display of 3D images. The following is a summary of research being conducted and products under development in the 3D display system marketplace of which we are currently aware:

- Lightspace DepthCube™ from LightSpace Technologies, Inc.
- Felix 3D Displays
- Perspecta Spatial 3D Display from Actuality Systems
- 3D Technology Laboratories

Employees

We had four full-time employees as of December 31, 2008, Martin Keating, Chief Executive Officer, Vivek Bhaman, President and Chief Operating Officer, Dr. Hakki Refai, Chief Technology Officer (From October 2008), and Ms. Judith Keating, Company secretary and Director of Investor Relations. None of our employees are covered by a collective bargaining agreement. We consider relations with our employees to be good.

ITEM 1A. RISK FACTORS.

<u>Risks Relating to Our Business:</u>

We have a limited operating history, as well as a history of operating losses.

We have a limited operating history. We cannot assure you that we can achieve revenue or sustain revenue growth or profitability in the future. We have a cumulative net loss of $11,010,079 for the period from inception (January 1, 2001) to December 31, 2008. Our operations are subject to the risks and competition inherent in the establishment of a business enterprise. Unanticipated problems, expenses, and delays are frequently encountered in establishing a new business and marketing and developing products. These include, but are not limited to, competition, the need to develop customers and market expertise, market conditions, sales, marketing and governmental regulation. Our failure to meet any of these conditions would have a materially adverse effect upon us and may force us to reduce or curtail our operations. Revenues and profits, if any, will depend upon various factors. We may not achieve our business objectives and the failure to achieve such goals would have an adverse impact on our business.

Currently, our only significant asset is our Sponsored Research Agreement with the University of Oklahoma, and our ability to accomplish our business plan relies entirely on the ability of the University of Oklahoma to successfully develop marketable 3D communications and display technologies.

Our only significant asset at the present time is our Sponsored Research Agreement with the University of Oklahoma. If the University of Oklahoma is not successful in developing 3D display/communications technologies that we have envisioned in our business plan, our ability to generate revenues from marketing of the technologies and/or product or products on which our business plan is based will be severely impacted, which could threaten the very existence of the Company.

Even if the University of Oklahoma is successful in developing 3D communications and display system technologies, because of the revolutionary nature of such a product (i.e., no similar product currently exists, and there are numerous unknowns relating to the product, such as manufacturing costs and operational costs), there can be no assurance that our marketing plans for the product will be successful.

Therefore, the fact that our success depends almost entirely on the efforts of others to develop technologically challenging new technologies that will be in a form readily licensable and/or marketable and acceptable to a given market, and our ability to then successfully market such technologies, makes an investment in the Company much more risky than a comparable investment in other companies that may have a broad range of existing, proven products and/or technologies.

We may not be able to compete successfully.

Although the volumetric 3D imaging and display technology that the University of Oklahoma is attempting to develop is new, and although at present we are aware of only a limited number of companies that have publicly disclosed their attempts to develop similar technology, we anticipate a number of companies are or will attempt to develop technologies/products that compete or will compete with our technologies. Further, even if we are the first to market with a technology of this type, and even if the technology is protected by patents or otherwise, because of the vast market and communications potential of such a product, we anticipate the market will be flooded by a variety of competitors (including traditional communications companies), many of which will offer a range of products in areas other than those in which we compete, which may make such competitors more attractive to prospective customers. In addition, many if not all of our competitors and potential competitors will initially be larger and have greater financial resources than we do. Some of the companies with which we may now be in competition, or with which we may compete in the future, have or may have more extensive research, marketing and manufacturing capabilities and significantly greater technical and personnel resources than we do, even given our relationship to the University of Oklahoma, and may be better positioned to continue to improve their technology in order to compete in an evolving industry. Further, technology in this industry may evolve rapidly once an initially successful product is introduced, making timely product innovations and use of new technologies essential to our success in the marketplace. The introduction by our competitors of products with improved technologies or features may render any product we initially market obsolete and unmarketable. If we do not have available to us products that respond to industry changes in a timely manner, or if our products do not perform well, our business and financial condition will be adversely affected.

The technologies being developed may not gain market acceptance.

The products that the University of Oklahoma is currently developing utilize new technologies. As with any new technologies, in order for us to be successful, these technologies must gain market acceptance. Since the technologies that we anticipate introducing to the marketplace will exploit or encroach upon markets that presently utilize or are serviced by products from competing technologies, meaningful commercial markets may not develop for our technologies.

In addition, the development efforts of the University of Oklahoma on the 3D technology are subject to unanticipated delays, expenses or technical or other problems, as well as the possible insufficiency of funding to complete development. Our success will depend upon the ultimate products and technologies meeting acceptable cost and performance criteria, and upon their timely introduction into the marketplace. The proposed products and technologies may never be successfully developed, and even if developed, they may not satisfactorily perform the functions for which they are designed. Additionally, these may not meet applicable price or performance objectives. Unanticipated technical or other problems may occur which would result in increased costs or material delays in their development or commercialization.

If we are unable to successfully retain existing management and recruit qualified personnel having experience in our business, we may not be able to continue our operations.

Our success depends to a significant extent upon the continued services of Martin Keating, our Chairman and Chief Executive Officer, and James N. Welsh, our Interim Chief Operating Officer and Interim Treasurer. Our success also depends on our ability to attract and retain other key executive officers.

Our auditors have expressed substantial doubt about our ability to continue as a going concern. If we do not continue as a going concern, investors will lose their entire investment.

In their report dated April 15, 2009, our auditors have expressed substantial doubt about our about our ability to continue as a going concern. These concerns arise from the fact that we are a development stage organization with insufficient revenues to fund development and operating expenses. If we are unable to continue as a going concern, you could lose your entire investment in us.

We will need significant additional capital, which we may be unable to obtain.

Our capital requirements in connection with our development activities and transition to commercial operations have been and will continue to be significant. We will require approximately $2.5 million additional funds over the next two years to continue research, development and testing of our technologies, to obtain intellectual property protection relating to our technologies when appropriate, and to improve and market our technologies. There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all.

__Risks Relating to Our Current Financing Arrangements__:

There are a large number of shares underlying our convertible debentures, and warrants that may be available for future sale and the sale of these shares may depress the market price of our common stock.

As of March 31, 2009, we had approximately 175,505,294 shares of common stock issued and outstanding and convertible debentures outstanding that may be converted into an estimated 614,771,829 shares of common stock at current market prices. The number of shares of common stock issuable upon conversion of the outstanding convertible debentures may increase if the market price of our stock declines. We also have outstanding warrants issued to Golden State Equity Investors, Inc. f/k/a Golden Gate Investors ("Golden State") to purchase 962,939 shares of common stock at an exercise price of $10.90. The sale of the shares underlying the convertible debentures and warrants may adversely affect the market price of our common stock.

Our obligation to issue shares upon conversion of our convertible debentures is essentially limitless.

The conversion price of our convertible debentures is continuously adjustable, which could require us to **issue a substantially greater number of shares, which will cause dilution to our existing stockholders.**

The following is an example of the amount of shares of our common stock that are issuable, upon conversion of our 4.75% $100,000 convertible debentures (excluding accrued interest) issued to Golden State on November 3, 2006, based on the remaining principal balance of $96,678 and market prices 25%, 50% and 75% below the market price as of March 27, 2009 of $0.026.

% Below Market	Price Per Share		Effective Conversion Price		Number of Shares Issuable(1)	% of Outstanding Stock
25%	$	0.01925	$	0.01540	689,590,363	433%
50%	$	0.01283	$	0.01026	1,035,541,992	650%
75%	$	0.00642	$	0.00513	2,072,050,764	1,300%

(1) Shares issuable excludes 966,780 shares underlying the remaining warrants exercisable at $10.90 per share and cash proceeds of $10,537,902

The following is an example of the amount of shares of our common stock that are issuable, upon conversion of our 9 ¾% $700,000 convertible debentures (excluding accrued interest) issued to Golden State on June 8, 2007, based on the remaining principal balance of $364,000 and market prices 25%, 50% and 75% below the market price as of March 27, 2009 of $0.026.

% Below Market	Price Per Share		Effective Conversion Price		Number of Shares Issuable	% of Outstanding Stock
25%	$	0.01925	$	0.01386	26,269,449	16%
50%	$	0.01283	$	0.00924	39,404,174	25%
75%	$	0.00642	$	0.00462	78,808,348	50%

The following is an example of the amount of shares of our common stock that are issuable, upon conversion of the $1.25 million convertible debenture issued to Golden State on January 15, 2008 (the "Second Debenture") (excluding accrued interest), based on the principal balance of $578,601 and market prices 25%, 50% and 75% below the market price as of March 27, 2009 of $0.026.

% Below Market	Price Per Share		Effective Conversion Price		Number of Shares Issuable	% of Outstanding Stock
25%	$	0.01925	$	0.01732	33,405,577	21%
50%	$	0.01283	$	0.01155	50,108,366	32%
75%	$	0.00642	$	0.00577	100,216,732	64%

As illustrated, the number of shares of common stock issuable upon conversion of our convertible debentures will increase if the market price of our stock declines, which will cause dilution to our existing stockholders.

The continuously adjustable conversion price feature of our convertible debentures may **encourage investors to make short sales in our common stock, which could have a depressive effect on the price of our common stock.**

So long as the market price of our stock is below $4.00, the issuance of shares in connection with the conversion of the $100,000 convertible debenture results in the issuance of shares at an effective 20% discount to the trading price of the common stock prior to the conversion. So long as the market price of our stock is below $2.00 the issuance of shares in connection with the conversion of the Second Debenture results in the issuance of shares at an effective 10% discount to the trading price of the common stock prior to the conversion. The significant downward pressure on the price of the common stock as the selling stockholder converts and sells material amounts of common stock could encourage short sales by investors. This could place further downward pressure on the price of the common stock. The selling stockholder could sell common stock into the market in anticipation of covering the short sale by converting their securities, which could cause the further downward pressure on the stock price. In addition, not only the sale of shares issued upon conversion or exercise of debentures and warrants, but also the mere perception that these sales could occur, may adversely affect the market price of the common stock.

The issuance of shares upon conversion of the convertible debentures and exercise of outstanding warrants may cause immediate and substantial dilution to our existing stockholders.

The issuance of shares upon conversion of our convertible debentures and exercise of warrants may result in substantial dilution to the interests of other stockholders since the selling stockholder may ultimately convert and sell the full amount issuable on conversion. Although Golden State may not convert its convertible debentures and/or exercise their warrants if such conversion or exercise would cause it to own more than 9.9% of our outstanding common stock, this restriction does not prevent the selling stockholder from converting and selling some of their holdings and then converting the rest of their holdings. In this way, assuming the market price remains at a level acceptable to the selling stockholder, the selling stockholder could continue on a “conversion-sell-conversion” trend while never holding more than 9.99% of our common stock. Further, under the convertible debentures there is theoretically no upper limit on the number of shares that may be issued, which will have the effect of further diluting the proportionate equity interest and voting power of holders of our common stock.

If we are unable to issue shares of common stock upon conversion of the convertible debenture as a result of our inability to increase our authorized shares of common stock or as a result of any other reason, we are required to pay penalties to Golden State, redeem the convertible debenture at 130% and/or compensate Golden State for any buy-in that it is required to make.

If we are unable to issue shares of common stock upon conversion of the convertible debenture as a result of our inability to increase our authorized shares of common stock or as a result of any other reason, we are required to:

- pay late payments to Golden State for late issuance of common stock upon conversion of the convertible debenture, in the amount of $100 per business day after the delivery date for each $10,000 of convertible debenture principal amount being converted or redeemed;
- in the event we are prohibited from issuing common stock, or fail to timely deliver common stock on a delivery date, or upon the occurrence of an event of default, then at the election of Golden State, we must pay to Golden State a sum of money determined by multiplying up to the outstanding principal amount of the convertible debenture designated by Golden State by 130%, together with accrued but unpaid interest thereon; and

- if ten days after the date we are required to deliver common stock to Golden State pursuant to a conversion, Golden State purchases (in an open market transaction or otherwise) shares of common stock to deliver in satisfaction of a sale by Golden State of the common stock which it anticipated receiving upon such conversion (a "Buy-In"), then we are required to pay in cash to Golden State the amount by which its total purchase price (including brokerage commissions, if any) for the shares of common stock so purchased exceeds the aggregate principal and/or interest amount of the convertible debenture for which such conversion was not timely honored, together with interest thereon at a rate of 15% per annum, accruing until such amount and any accrued interest thereon is paid in full.

In the event that we are required to pay penalties to Golden State or redeem the convertible debentures held by Golden State, we may be required to curtail or cease our operations.

Risks Relating to Our Common Stock:

Fluctuations in our operating results and announcements and developments concerning our business affect our stock price.

Our quarterly operating results, the number of stockholders desiring to sell their shares, changes in general economic conditions and the financial markets, the execution of new contracts and the completion of existing agreements and other developments affecting us, could cause the market price of our common stock to fluctuate substantially.

Our common stock is subject to the "Penny Stock" rules of the SEC and the trading market in our securities is limited, which makes transactions in our stock cumbersome and may reduce the value of an investment in our stock.

The Securities and Exchange 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:

- that a broker or dealer approve a person's account for transactions in penny stocks; and
- the broker or dealer receives 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:

- obtain financial information and investment experience objectives of the person; and
- 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 schedule prescribed by the Commission relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. 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.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

N/A

ITEM 2. PROPERTIES.

Our executive offices are located at 6804 South Canton Avenue, Suite 150, Tulsa, Oklahoma 74136. The lease has a term of thirty-six (36) months, which began on June 1, 2008. We currently pay rent and related costs of approximately $2,255 per month.

ITEM 3. LEGAL PROCEEDINGS.

We are not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that is not in the ordinary course of business or otherwise material to the financial condition of our business. None of our directors, officers or affiliates is involved in a proceeding adverse to our business or has a material interest adverse to our business.

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

None

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Our common stock is quoted on the OTC Bulletin Board under the symbol "TDCP".

For the periods indicated, the following table sets forth the high and low bid prices per share of common stock. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions (1).

	High	Low
First Quarter ended March 31, 2009	$ 0.05	0.02
	$ 0.32	$ 0.04
Year Ended December 31, 2008	High	Low
First Quarter ended March 31, 2008	$ 0.32	$ 0.20
Second Quarter ended June 30, 2008	$ 0.24	$ 0.08
Third Quarter ended September 30, 2008	$ 0.18	$ 0.05
Fourth Quarter ended December 31, 2008	$ 0.15	$ 0.04
Year Ended December 31, 2007	High	Low
First Quarter ended March 31, 2007	$ 0.70	$ 0.39
Second Quarter ended June 30, 2007	$ 0.72	$ 0.32
Third Quarter ended September 30, 2007 (1)	$ 1.05	$ 0.31
Fourth Quarter ended December 31, 2007	$ 0.59	$ 0.28

(1) The Company’s Shares were traded on the Pink Sheets until July 25, 2007 and began trading on the OTC Bulletin Board thereafter.

Holders

As of March 31, 2009 we had approximately 392 active holders of our common stock. The number of active record holders was determined from the records of our transfer agent and does not include beneficial owners of common stock whose shares are held in the names of various security brokers, dealers, and registered clearing agencies. Our transfer agent is Continental Stock Transfer & Trust Company, 17 Battery Place, New York, NY 10004.

Dividends

We have not declared any dividends to date. We have no present intention of paying any cash dividends on our common stock in the foreseeable future, as we intend to use earnings, if any, to generate growth. The payment of dividends, if any, in the future, rests within the discretion of our Board of Directors and will depend, among other things, upon our earnings, capital requirements and our financial condition, as well as other relevant factors. There are no restrictions in our Certificate of Incorporation or By-laws that restrict us from declaring dividends.

Equity Compensation Plan Information

The following table sets forth the information indicated with respect to our compensation plans under which our common stock is authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders	8,000,000	$ 0.64	3,191,027
Equity compensation plans not approved by security holders			
	27,000,000		27,000,000
Total	35,000,000	$ 0.64	30,191,027

Recent Sales of Unregistered Securities

During the fiscal year ended December 31, 2008, we issued the below securities without registration under the Securities Act of 1933, as amended (the "Securities Act").

Pursuant to a Subscription Agreement dated October 1, 2008, the we sold 515,677 shares of our common stock at a per share price equal to 80% of the average closing price during the five (5) days prior to the signing ($.048 per share) and warrants to purchase 257,839 shares of our common stock at a price of $.20 per share from October 1, 2008 through August 31, 2009, or $.25 per share from September 30, 2009 through August 31, 2010 to one accredited individual. We received $25,000 in cash from the sale. The warrants terminate August 31, 2010.

ITEM 6. SELECTED FINANCIAL DATA

N/A

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

Forward –Looking Statements

The information in this annual report contains forward-looking statements. All statements other than statements of historical fact made in this annual report are forward looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. Forward-looking statements reflect management's current expectations and are inherently uncertain. Our actual results may differ significantly from management's expectations.

The following discussion and analysis should be read in conjunction with the consolidated financial statements, included herewith. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of our management.

Plan of Operation

Background:

The Company is engaged in the development of 360 ^{o} volumetric imaging and display technology, specifically in the areas identified by the initial in-depth investigation conducted by the University of Oklahoma (OU or University). The identified areas are two major complementary areas of technology that comprise the spectrum of the solution and application (1) a means of recording 3D objects as digital holographic data elements (capture); and (2) a means of reconstructing and displaying the 3D images (display).

Based on the investigation as well as review of existing patents and technologies, it was concluded that the area of 3-D image capture and recording had multiple solutions and technologies that adequately served the market. Therefore our primary area of focus is to develop products and intellectual property in the reconstruction and display of 3D images where we see the most opportunity. We aim to establish strategic partnerships with the assignees or license holders of existing 3D recording technologies as well as integrate our technologies with existing solutions.

The existing products reviewed can generally be broken down into two broad categories: stereoscopic - those that use flat-panels to implement 3D displays on 2D screens, and those that implement volumetric 3D displays. The flat-panel approaches, as previously noted, do not support 3DIcon's planned embodiment of the technology. However, the application space of volumetric 3D displays supports the Company vision and appears to offer major opportunities for further technology development and creation of intellectual property through the University of Oklahoma, to which 3DIcon will have exclusive world-wide rights.

The research team at OU has been working to integrate open source image capture applications as well as to establish 3D image capture systems.

We continue to build intellectual property through the University of Oklahoma, to which 3DIcon has exclusive rights and engage in product research and development both directly related to the display as well as by-product technologies.

Current Activities and Operations

Currently the Company is pursuing the research and development of volumetric 3-D display technology through the Sponsored Research Agreement ("SRA") with the University of Oklahoma ("OU"). Our efforts are focused on multiple technological approaches, two of which are being further developed into proof-of-concept demonstration systems:

Static Volume Display Technology: Also known as CSpace™, 3DIcon has produced the first non-mechanical, 360-degree, multi-view, high-resolution volumetric display. A prototype was demonstrated during September 2008, when a 3D image was created within a proprietary volumetric media (also called projection space or image matrix).

This technology incorporates existing and rapidly evolving image projection technologies, such as DLP®/DMD technology from Texas Instruments, allowing 3DIcon to pursue full-color, full-motion 3D visualization, in harmony with 3DIcon's vision for product development.

Swept Volume Display Technology: Additional work on this particular approach has been deferred indefinitely because of the success and initial superiority of the CSpace™ technology.

We have also released a software product called Pixel Precision™. The current version of the software is 1.0. We plan to continue to pursue this market and provide versions and variations of this software. The plans include enhancements to the functionality as well as variants to address additional opportunities.

We have signed a sales and distribution agreement with Digital Light Innovations (DLi) for the sales, marketing and first level support of the Pixel Precision™ software. Through DLi and its sub-distributors the software will be marketed in the United States as well as in Europe and Asia.

Progress on Research and Development Activities

The research team at OU filed two new patent applications in the first quarter of 2008 and converted one from a provisional to a utility filing.

Under the aegis of the SRA, the University has filed the following Patent Applications. The Utility Patents have been converted and consolidated from the previously filed Provisional Applications.

Description of Provisional Patent Application as Filed	**Description of Utility Patent Application Filing (Combined)**	**Date of Filing**
Swept Volume Display	Swept Volume Display	September 2006
Colorful Translation Light Surface 3D Display Colorful Translation 3D Volumetric Display 3D Light Surface Display	Light Surface Display for Rendering Three-Dimensional Image (Combined)	April 2007
Volumetric Liquid Crystal Display	Volumetric Liquid Crystal Display for Rendering Three-Dimensional Image (Combined)	April 2007
Computer System Interaction with DMD	Computer System Interaction with DMD	January 2008
Virtual Moving Screen for Rendering Three Dimensional Image	Utility Patent Application to be filed	January 2008 (Provisional)
Optically Controlled Light Emitting…and System for Optically Written 2D and 3D Displays	Utility Patent Application to be filed	April 2008 (Provisional)

Further, we are taking steps to explore areas that may be related to assist in the protection of intellectual property assets. In addition, we have begun the process of applying for trademarks related to our 3D technologies.

Our research and development objectives for the 2009 calendar year are as follows. The work will mainly be done by researchers, faculty and selected graduate or doctoral level students at the University of Oklahoma with oversight by 3DIcon personnel:

I. Static Volumetric Display (CSpace™)

- Continue work on development of blue and red up-conversion materials.
- Synthesize near-transparent projection media suitable for dispersion of display materials.
- Investigate the use of additional technologies for development of image space that enhance the commercialization of the technology. Dr. Hakki Refai has begun collaboration with parties outside of OU to explore alternate material development strategies.

- Demonstrate improvements in optical properties for transparent projection materials. Static Volumetric Display and Nano-materials

II. By-Product Technologies

- Continue to generate revenue from Pixel Precision™ the DMD Control Software for DMD Application development markets
- Develop next generation of Pixel Precision™ software for controlling multiple DMDs as well as for controlling the next generation of the DMD-Discovery™ series
- Release Pixel Precision™ for the Discovery 4000 series (D4000). This will be done after TI/DLi develop and provide the API for D4000.

III. New 3D Technologies

- Continue to pursue new 3D opportunities across a broad technological spectrum, with the ultimate goal of the creation of a “free space” 3D display (i.e., one without a visible containment vessel).

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2008 COMPARED TO THE YEAR ENDED DECEMBER 31, 2007

Revenue

We have launched our first software product PixelPrecision™. We appointed Digital Light Innovations for the sales and distribution of this product in March 2008.

We have earned income of $17,900 before commissions and costs from the sales of PixelPrecision™ for the year ended December 31, 2008.

The cost of sales for Pixel Precision™ of $8,435 includes commissions payable to the exclusive distributor DLi. This is an outright obligation and not a license. We have no other significant cost of sales. Shared marketing support costs are charged to operations when incurred.

We expect sales of Pixel Precision™ to the installed and active user base of the earlier D1100 and D3000 systems in the near term and as companion product sales to D4000 systems. We expect that the revenue from this product to contribute to the operating expenses (General & Administrative, R&D, Interest Payments) but do not expect the revenue generated in 2009 to cover the operating expenses.

Research and Development Expenses

The research and development expenses were $953,802 for the year ended December 31, 2008 as compared to $1,020,888 for the year ended December 31, 2007. The decrease was a result of modifications to the SRA.

General and Administrative Expenses

Our general and administrative expenses were $2,569,922 for the year ended December 31, 2008 as compared to $2,819,525 for the year ended December 31, 2007. The decrease is due primarily to the decrease in the number of options issued to Directors and consultants for services.

Interest Expense

Interest expense for the year ended December 31, 2008 was $122,291 as compared to $88,583 for the year ended December 31, 2007. The increase in interest expense resulted from increase in the amounts outstanding on our convertible debentures during the periods.

Financial Condition, Liquidity and Capital Resources

Management remains focused on controlling cash expenses. We recognize our limited cash resources and plan our expenses accordingly. We intend to leverage stock-for-services wherever possible. The operating budget consists of the following expenses:

- Research and development expenses pursuant to our Sponsored Research Agreement with the University of Oklahoma. This includes development of an initial demonstrable prototype and a second prototype for static volume technology
- Acceleration of R&D through increased research personnel as well as other research agencies
- General and Administrative expenses: salaries, insurance, investor related expenses, rent; travel, website, etc.
- Hiring executive officers for technology, operations and finance
- Development, support and operational costs related to Pixel Precision™ software
- Professional fees for accounting and audit; legal services for securities and financing; patent research and protection

Our independent registered public accountants, in their audit report accompanying our financial statements for the year ended December 31, 2008, expressed substantial doubt about our ability to continue as a going concern due to our status as a development stage organization with insufficient revenues to fund development and operating expenses.

We had net cash of $48,400 at December 31, 2008.
We had negative working capital of $1,642,297 at December 31, 2008.

During the year ended December 31, 2008, we used $1,906,163 of cash for operating activities, a decrease of $548,413 or 22% compared to the year ended December 31, 2007. The decrease in the use of cash for operating activities was a result of the increase in accounts payable of $619,162 and the decrease in net loss of $317,446.

Cash used in investing activities during the year ended December 31, 2008 was $25,363, an increase of $16,607 compared to the year ended December 31, 2007. The increase was a result of purchasing office furniture and equipment for the leased office space.

Cash provided by financing activities during the year ended December 31, 2008 was $1,274,407, a decrease of $1,692,013 or 57% compared to the year ended December 31, 2007. The decrease was the result of the decreased debenture funding, stock sales and warrant sales in 2008.

We expect to fund the ongoing operations through the existing financing in place (see below); through raising additional funds as permitted by the terms of the Golden State financing as well as reducing our monthly expenses.

Our ability to fund the operations of the Company is highly dependent on the underlying stock price of the Company. As a result of our stock price being around the 52 week low mark and trending downward, our ability to raise cash is restricted.

Pursuant to the 4.75% Convertible Debenture due in 2011, beginning in November 2007, Golden State is obligated to submit conversion notices in an amount such that Golden State receives 1% of the outstanding shares of the Company every calendar quarter for a period of one year. In connection with each conversion, Golden State is expected to exercise warrants equal to 10 times the amount of principal converted. The warrants are exercisable at $10.90 per share. Beginning in November 2008, Golden State is required to convert $3,000 of the 4.75% Convertible Debenture and exercise 30,000 warrants per month. During the year ended December 31, 2008, we received $297,145 in funding from Golden State as a result of the 4.75% Convertible Debenture warrants exercised.

The Company has been unable to meet it's monthly payment obligations under the Sponsored Research Agreement ("SRA") and received notification that they were in default. A new payment schedule has been negotiated. Failure of the Company to meet its payment obligations under the new payment schedule could result in the termination of the SRA, termination of the related projects, and termination of any outstanding license agreements under the SRA.

On October 31, 2008, OU agreed to revise the payment terms under the SRA from a fixed monthly payment to a reimbursable cost payment basis effective September 1, 2008. As of September 30, 2008, the Company had a remaining obligation under the previous SRA payment schedule of $2,665,818 which includes monthly payments due for December 2007 through August 31, 2008 of $861,131. The $1,804,687 balance of the remaining scheduled payment obligation was cancelled. Under the terms of the revised base payments schedule, the arrearages will be paid in nine monthly base installments from October 31, 2008 to June 30, 2009 of amounts ranging from $35,000 to $101,132 leaving a remaining balance after the base payments of $290,000. In addition to the monthly base payments, the Company agreed to make additional payments on the $861,131 arrearages based on a formula of 50% of funding in excess of $120,000 plus the base monthly payment. In the event funding does not provide for any additional payments, the remaining balance would be $290,000, for which OU agreed to accept 4,264,707 shares of the Company's common stock based on the October 14, 2008 market price as reported on the OTC Bulletin Board of $0.068 per share as payment on June 30, 2009. The Company has the option to repurchase the shares at $0.068 per share by September 30, 2009, or at market value, but not less than $0.068 per share, if the repurchase occurs after September 30, 2009.

In addition, the management has put forward a proposal to the Board to reduce operating expenses further through temporary salary cuts, partial payments to consultants using stock and reduction in day-to-day expenses. We anticipate that this, along with other measures, will reduce our current cash flow burn rate from $267,000 per month to approximately of $180,000 to $195,000 per month.

We also intend to raise additional funds as permitted by the terms of Golden State financing, to help with the short term capital needs.

Off Balance Sheet Arrangements

3DIcon does not engage in any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, and results of operations, liquidity or capital expenditures.

Significant Accounting Policies

Research and Development Costs

Statement of Accounting Standards No. 2, "Accounting for Research and Development Costs," requires that all research and development costs be expensed as incurred. Until we have developed a commercial product, all costs incurred in connection with the Sponsored Research Agreement with the University of Oklahoma, as well as all other research and development costs incurred, will be expensed. After a commercial product has been developed, we will report costs incurred in producing products for sale as assets, but we will continue to expense costs incurred for further product research and development activities.

Stock-Based Compensation

Since its inception 3DIcon has used its common stock or warrants to purchase its common stock as a means of compensating our employees and consultants. Statement of Financial Accounting Standards No. 123 "*Accounting for Stock Based Compensation*" and No. 123(R), "*Share Based Payments*," requires us to estimate the value of securities used for compensation and to charge such amounts to expense over the periods benefited.

The estimated fair value at date of grant of options for our common stock is estimated using the Black-Scholes option pricing model, as follows:
The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience.

Subsequent Events:

Debentures payable

In accordance with the terms of the Second Debenture an event of default occurs if the common stock of the Company trades at a price per share of $0.21 or lower. The trading price was at $0.21 or lower on several occasions during the year ended December 31, 2008. On each of the occasions Golden State, by separate letter agreements, agreed that the occasions did not constitute a default and thereby waived the default provision for the occasions.

Subsequent to December 31, 2008, Golden State converted $111,500 of the 9.75% convertible debenture into 4,855,767 shares of common stock at prices ranging from $0.018 to $0.029 per share, converted $1,080 of the 4.75% convertible debenture into 5,598,495 shares of common stock at $0.0002 per share and exercised 10,800 warrants at $10.90 per share for $117,720 under the terms of the securities purchase agreements.

Common stock and paid in capital

Concordia was issued 1,413,986 shares of common stock in payment of $31,500 for January and February services under the consulting agreement. Additionally common shares totaling 1,802,977 were issued to vendors in payment of $25,275 for services.

President's resignation and interim President appointed

On February 3, 2009, Vivek Bhaman resigned as President, Chief Operating Officer and Treasurer of 3DIcon Corporation effective March 3, 2009. Mr. Bhaman was due an aggregate of $41,667 compensation for January and February 2009 under the terms of the April 29, 2007 Employment Agreement. Additionally he is due $41,667 under the terms of the October 12, 2008 Amended Employment Agreement which increased his annual compensation to $300,000 from $250,000. Under the terms of the contract, the Company elected to defer the $50,000 increase until April 30, 2009 and pay the increased compensation in registered common stock discounted at 25% to the market price. Mr. Bhaman was issued 1,851,852 registered common shares at $0.0225 per share for the $41,667 deferred compensation. The Company has been unable to pay Mr. Bhaman for the remaining $41,667 compensation under his original Employment Contract. Additionally under the terms of the employment agreements, Mr. Bhaman has vested 1,425,000 options to purchase shares at common stock of the Company at prices ranging from $0.055 to $1.00 per share that expire at various dated through October 12, 2018. In connection with his resignation, the Company agreed to waive certain provisions of Mr. Bhaman's employment agreement which prevented him from continuing to serve as a Director of the Company following the termination of his employment. Accordingly, Mr. Bhaman continues to serve as a Director of the Company.

On February 9, 2009, the Board of Directors of the Company appointed James N. Welsh to serve as the Company's Interim Chief Operating Officer and Treasurer. His appointment was effective as of March 1, 2009.

REOFFER PROSPECTUS 2,851,852 SHARES OF COMMON STOCK

The March 2009 reoffer prospectus relates to the sale of 2,851,852 shares of our common stock, $.0002 par value per share, that may be offered and resold from time to time by certain eligible participants and existing selling shareholders identified in the prospectus for their own account issuable upon exercise of currently outstanding stock options which have been issued pursuant to the unanimous written consent of our Board of Directors and pursuant to the employment agreement of one of our officers. It is anticipated that the selling shareholders will offer common shares for sale at prevailing prices on the OTC Bulletin Board on the date of sale. We will receive no part of the proceeds from sales made under this reoffer prospectus. The selling shareholders will bear all sales commissions and similar expenses. Any other expenses incurred by us in connection with the registration and offering and not borne by the selling shareholders will be borne by us.

The shares of common stock will be issued pursuant to awards granted by the unanimous written consent of our Board of Directors and pursuant to the employment agreement of certain officers and will be "control securities" under the Securities Act before their sale under this reoffer prospectus. This reoffer prospectus has been prepared for the purposes of registering the common shares under the Securities Act to allow for future sales by selling shareholders on a continuous or delayed basis to the public without restriction.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

N/A

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

All financial information required by this Item is attached hereto at the end of this report beginning on page F-1 and is hereby incorporated by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

On January 7, 2009, Tullius Taylor Sartain & Sartain LLP, the prior independent registered public accounting firm of the "Company, and Hogan & Slovacek, P.C. merged their operations to become HoganTaylor LLP ("HoganTaylor"). The respective employees, partners and shareholders of the merged firms have become employees and partners of HoganTaylor which will continue the practices of each of the merged firms. Consequently, HoganTaylor has assumed the role of the independent registered public accounting firm of the Company, subject to the approval or ratification of the Company's audit committee.

As this is a combination of the two existing accounting firms and their respective practices, there was no resignation of the predecessor firm. Also, as this is a newly created firm, there have been no pre-engagement consultations or contacts with HoganTaylor.

The reports of Tullius Taylor Sartain & Sartain LLP regarding the Company's financial statements for the fiscal years ended December 31, 2007 and 2006 did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles, except that their opinion on the Company's financial statements for both fiscal years contained a paragraph emphasizing uncertainty regarding the Company's ability to continue as a "going concern". During the years ended December 31, 2007 and 2006, and during the period from December 31, 2007 through January 7, 2009, there were no disagreements with Tullius Taylor Sartain & Sartain LLP on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Tullius Taylor Sartain & Sartain LLP would have caused it to make reference to such disagreement in its report.

ITEM 9A. CONTROLS AND PROCEDURES.

Management's Report on Internal Control over Financial Reporting

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our President, Chief Financial Officer and Secretary, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based upon that evaluation, our President, Chief Financial Officer and Secretary concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Management's Annual Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes of accounting principles generally accepted in the United States.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Our management evaluated the effectiveness of our internal control over financial reporting as of December 31, 2008. In making this assessment, our management used the Committee of Sponsoring Organization of the Treadway Commission ("COSO") framework, an integrated framework for the evaluation of internal controls issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that, as of December 31, 2008, our internal control over financial reporting was effective.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit the company to provide only management's report in this annual report.

Changes. During the most recent quarter ended December 31, 2008, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT.

EXECUTIVE OFFICERS, DIRECTORS AND KEY EMPLOYEES

The following table sets forth the names and ages of the members of our Board of Directors and our executive officers and the positions held by each. There are no family relationships among any of our Directors and Executive Officers.

Name	Age	Position
Martin Keating	66	Chief Executive Officer, Acting Chief Financial Officer and Director
James N. Welsh	66	President, Chief Operating Officer and Treasurer
Dr. Hakki Refai		Chief Technology Officer
Vivek Bhaman	41	Director
Lawrence Field	48	Director
John O'Connor	53	Director
Victor F. Keen	66	Director

Martin Keating – Chief Executive Officer and Director

Martin Keating has been Chief Executive Officer and a director of 3DIcon since 1998. Previously, Mr. Keating organized and managed private placement limited partnerships, ranging from real estate development to motion picture financing. Mr. Keating was also general counsel and director of investor relations for CIS Technologies, then a NASDAQ company. Mr. Keating is an attorney licensed to practice law in Oklahoma and Texas.

James N. Welsh – President, Chief Operating Officer and Treasurer

James N. Welsh was appointed as President, Chief Operating Officer and as Treasurer in March 2009. He is the founder and principal of Welsh & Associates, a consulting firm which provides financial and management consulting services. He also served as the interim president of TriCord Hurricane Holdings, Inc. until March 31, 2009. In addition, Mr. Welsh served as Chief Financial Officer of Global Safety Labs, Inc. from January, 2007 through August, 2007. He also served as the Chief Financial Officer of American Container Net, Inc. from October, 2003 through August, 2005.

Hakki Refai-Chief Technology Officer

Hakki Refai was appointed as the Company's Chief Technology Officer on July 28, 2008. His employment with the Company commenced on a full-time basis on October 1, 2008. Prior to joining the Company, Dr. Refai served as the co-principal investigator for the Static Volume / CSpace technologies being developed under the Sponsored Research Agreement with the University of Oklahoma. Dr. Refai is the lead inventor of the CSpace technology and the creator of the Company's first product, Pixel Precision™. He authored the patent applications for the Static Volume Displays, Virtual Moving Screen Displays and Interaction of Micro-Mirror Device with Computer System. Dr. Refai received his BS degree in electrical engineering in 1992 from Aleppo University in Syria and his MS and PhD degrees in electrical and computer engineering in 2002 and 2005, respectively, from the University of Oklahoma.

Vivek Bhaman - Director

Vivek Bhaman served as the President and Chief Operating Officer of 3DIcon from May 2007 through March 3, 2009. He currently serves as a director of the Company. He has held leadership positions in VeriFone/Hewlett-Packard, and with global media giants Omnicom Group and the Interpublic Group. His experience includes consumer and business technologies such as cell phones and secure e-commerce transaction systems for VeriFone/HP, where he was responsible for launching and managing the Asia-Pacific operations of the Electronic Commerce division. His involvement extended from development to marketing/sales. Prior to joining 3DIcon, Mr. Bhaman successfully led the startup and marketing operations for an enterprise-software technology company, including its acquisition of marquee customers Walt Disney, Southern California Edison, and Freeman Group. Mr. Bhaman holds a Bachelors Degree in Engineering and an MBA with specializations in Marketing and Finance.

Lawrence Field - Director

Mr. Lawrence Field was appointed to the Board of Directors of 3DIcon Corporation in October 2007. Mr. Field is the cofounder and managing director of Regent Private Capital LLC, an investment management firm that invests globally through offices in New York City and Tulsa. Prior to co-founding Regent Private Capital LLC, Mr. Field was vice president of Capital Advisors, Inc., an investment management firm. Mr. Field holds a B.S. degree from the University of Texas at Austin.

John O' Connor - Director

John O'Connor has been a director of 3DIcon since October 2006. Since 1981, Mr. O'Connor has practiced law in Oklahoma, concentrating in the areas of corporate and commercial law. Mr. O'Connor served as President of the law firm of Newton, O'Connor, Turner & Ketchum from 2001 to 2005 and has served as its Chairman from 2001 to present.

Victor F. Keen F. Director

Mr. Victor F. Keen was appointed to the Board of Directors of 3DIcon Corporation in November 2007. Until March 1, 2007, Mr. Keen served as the chair of the Tax Practice Group at Duane Morris. He is currently of counsel to the firm. Mr. Keen has served on the board of directors of Research Frontiers, Inc. ("Research Frontiers") for over 10 years. He has been chair of the compensation committee of Research Frontiers for the last 5 years.

Audit Committee

On February 25, 2008, the Board of Directors created an Audit Committee comprising Mr. Lawrence Field (Chair) and Mr. Victor Keen.

Compensation Committee

On February 25, 2008, the Board of Directors created a Compensation Committee comprising Mr. Victor Keen (Chair) and Mr. Lawrence Field.

Nomination and Corporate Governance Committee

On February 25, 2008, the Board of Directors created Nominations and Corporate Governance Committee comprising Mr. Victor Keen (Chair) and Mr. Lawrence Field.

Code of Ethics

We have not adopted a Code of Ethics and Business Conduct for Officers, Directors and Employees that applies to all of our officers, directors and employees.

Director Compensation

On April 27, 2007, the Company granted its three Directors 1,500,000 options exercisable at $.40 per share. The options were valued at $431,276 and were charged to operations in 2007.

The estimated fair market value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 124.4% is based on the historical volatility of our stock. The risk-free interest rate of 3.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of two years is based on historical exercise behavior and expected future experience.

On February 25, 2008, the Company agreed to compensate its non-employee Board members with options to purchase registered stock of the corporation equaling the value of $100,000 for each of the three non-employee Board members; using standard evaluation methods. The Board granted options to purchase an aggregate of 2,061,540 shares to its three non-employee Board members; the exercise price for each option is $0.24 per share. The options expire at the end of ten years. The $300,000 compensation is for services on the Board during all or part of the calendar year 2008 and is deemed fully vested on the date of the grant. Operations were charged with $300,000 for the year ended December 31, 2008.

The estimated fair market value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 71.33% is based on the historical volatility of the stock since July 25, 2007, the day the Company began trading on the Over-the-counter Bulletin Board. The risk-free interest rate of 3.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience.

On October 12, 2008, the Company agreed to compensate its Director John O'Connor with 500,000 additional options to purchase stock of the corporation at $0.055 per share. The options expire at the end of ten years. The compensation is for services on the Board during all or part of the calendar year 2008 and is deemed fully vested on the date of the grant. Operations were charged with $25,391 for the year ended December 31, 2008.

The estimated fair market value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 125.20% is based on the historical volatility of the stock since July 25, 2007, the day the Company began trading on the Over-the-counter Bulletin Board. The risk-free interest rate of 2.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience.

Employment Agreement

On April 29, 2007, Vivek Bhaman and the Company entered into an employment agreement (the "Bhaman Agreement") pursuant to which Mr. Bhaman agreed to serve as the Company's President and Chief Operating Officer. The Bhaman Agreement contains the following terms:

- base salary of $250,000;
- bonus for calendar year 2007 equal to 25% of the base salary, payable on or before March 15, 2008 (the "Payment Date") if the Company books revenue of $500,000 for calendar year 2007 and Bhaman is an employee of the Company on the Payment Date;
- bonus beyond calendar year 2007 shall be in the discretion of the Board of Directors;
- participation in employee benefit plans and programs of the Company; and
- reimbursement of reasonable expenses

The term of the Bhaman Agreement is one year commencing on May 1, 2007 and will automatically extend for successive one-year periods unless otherwise terminated by Bhaman or the Company upon 30 days notice.

On October 12, 2008, the Company entered into an Amendment to the Employment Agreement of Vivek Bhaman, (the "Amendment"). Pursuant to the Amendment, Mr. Bhaman's base salary effective May 1, 2008 is $300,000, representing an annual increase of $50,000. The Company has the option to defer payment of any or all of the increase until April 30, 2009. If deferred, the Company may elect to pay the increase in shares of the Company's common stock at a 25% discount to the market price of the Company's common stock on April 30, 2009. The Bonus provision of Mr. Bhaman's employment agreement has been deleted. In addition, pursuant to the amendment, Mr. Bhaman was granted an aggregate of 6,000,000 options to purchase shares of the Company's common stock at an exercise price of $0.055 per share with a term of 10 years comprised of (i) 1,000,000 options vesting immediately valued at $50,782, and (ii) 5,000,000 options valued at $253,909, vesting at a rate of 125,000 options per quarter. The vesting schedule of the 5,000,000 options may be accelerated if the market price of the Company's common stock exceeds certain thresholds pursuant to the terms of the Amendment. In addition, pursuant to the amendment, in the event that Mr. Bhaman's employment with the Company is terminated, he shall be entitled to severance pay equal to his regular monthly salary for a period not to exceed 6 months.

On February 3, 2009, Vivek Bhaman resigned as President, Chief Operating Officer and Treasurer of 3DIcon Corporation effective March 3, 2009. Mr. Bhaman was due an aggregate of $41,667 compensation for January and February 2009 under the terms of the April 29, 2007 Bhaman Agreement. Additionally he is due $41,667 under the terms of the October 12, 2008 Amendment which increased his annual compensation to $300,000 from $250,000. Under the terms of the Amendment, the Company elected to defer the $50,000 increase until April 30, 2009 and pay the increased compensation in registered common stock discounted at 25% to the market price. On March 9, 2009 Mr. Bhaman was issued 1,851,852 registered common shares at $0.0225 per share for the $41,667 deferred compensation. The Company has been unable to pay Mr. Bhaman for the remaining $41,667 compensation. Additionally under the terms of the employment agreements, Mr. Bhaman has vested 1,425,000 options to purchase shares of common stock of the Company at prices ranging from $0.055 to $1.00 per share that expire at various dates through October 12, 2018. In connection with his resignation, the Company agreed to waive certain provisions of Mr. Bhaman's employment agreement which prevented him from continuing to serve as a Director of the Company following the termination of his employment. Accordingly, Mr. Bhaman continues to serve as a Director of the Company.

On July 28, 2008 the Company entered into an Employment Agreement with Dr. Hakki Refai (the "Employment Agreement") pursuant to which Dr. Refai has agreed to serve as the Chief Technology Officer of the Company. Dr. Refai's employment under the Employment Agreement commenced on October 1, 2008 and will continue for a term of one year from October 1, 2008, the date on which he became a full-time employee of the Company. The term of the Employment Agreement will automatically extend for successive one year periods unless otherwise terminated by the parties in accordance with the terms of the Employment Agreement. The following represents the material terms of the Employment Agreement:

- Annual salary of $175,000 until the achievement of certain technical milestones as provided in the Employment Agreement (the "Technical Milestones"). Upon achievement of the Technical Milestones, the annual salary shall increase to $200,000;

- Commission which shall not exceed 3% of sales of the Company's Pixel Precision™ and CSpace™ technologies products, which commission shall not exceed $30,000 for the 12 month period commencing on October 1, 2008 and $50,000 for the 12 month period commencing on October 1, 2009; and

- Grant of 5,000,000 incentive stock options with a term of 10 years and an exercise price of $0.085 per share which vest as follows:

    1. The first installment of 500,000 options, valued at $33,622, are vested and exercisable on October 1, 2008, the date Dr. Refai commences full-time employment;

    2. 3,500,000 options, valued at $235,357, vesting in accordance with certain technical achievements, deliverables and milestones as provided in the Employment Agreement; and

    3. 1,000,000 options vesting in accordance with certain non-technical, general milestones as provided in the Employment Agreement or upon severance of the Employment Agreement under certain conditions as provided in the Employment Agreement.

Prior to Dr. Refai joining the Company on a full-time basis, he served as the co-principal investigator for the Static Volume / CSpace technologies being developed under the Company's Sponsored Research Agreement with the University of Oklahoma. Dr. Refai is the lead inventor of the CSpace technology and the creator of the Company's first product, Pixel Precision™. He authored the patent applications for the Static Volume Displays, Virtual Moving Screen Displays and Interaction of Micro-Mirror Device with Computer System. Dr. Refai received his BS degree in electrical engineering in 1992 from Aleppo University in Syria and his MS and PhD degrees in electrical and computer engineering in 2002 and 2005, respectively, from the University of Oklahoma.

The estimated fair market value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 95.50% is based on the historical volatility of the stock since July 25, 2007, the day the Company began trading on the Over-the-counter Bulletin Board. The risk-free interest rate of 2.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience. Operations were charged $100,867 in 2008 for the vesting of the options cost of Mr. Refai under the terms of the Employment Agreement.

ITEM 11. EXECUTIVE COMPENSATION.

The following table sets forth all compensation earned in respect of our Chief Executive Officer and those individuals who received compensation in excess of $100,000 per year, collectively referred to as the named executive officers, for our last three completed fiscal years.

SUMMARY COMPENSATION TABLE

The following information is furnished for the years ended December 31, 2008, December 31, 2007 and 2006 for our principal executive officer and the two most highly compensated officers other than our principal executive officer who was serving as such at the end of our last completed fiscal year:

Name & Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Martin Keating									
CEO	2008	144,000							
	2007	144,000	-	-	-	-	-	-	144,000
	2006	90,000	-	-	-	-	-	-	90,000
Vivek Bhaman,									
Pres. and COO	2008	250,000			50,782			33,333	334,115
	2007	166,666							166,666

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

The following table sets forth with respect to grants of options to purchase our common stock to the name executive officers as of December 31, 2008

Name	Number of Securities Underlying Unexercised Options # Exercisable	Number of Securities Underlying Unexercised Options # Un-exercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options #	Option Exercise Price $	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested #	Market Value of Shares or Units of Stock That have not vested $	Equity Incentive Plan Awards: Number of Unearned Shares Units or Other Rights That Have Not Vested #	Equity Incentive Plan Awards Market or Payout Value of Unearned Shares Units or Other Rights That have not Vested $
Martin Keating	500,000			$ 0.40	April 26, 2009				
Vivek Bhaman	1,425,000	5,075,000		(1)	April 30, 2010				

(1) Mr. Bhaman’s options are exercisable as follows: 100,000 at $0.80 per share, 200,000 at $1.00 per share and 1,125,000 at $0.055 per share

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides information about shares of common stock beneficially owned as of March 31, 2009 by:

- each director;
- each officer named in the summary compensation table;
- each person owning of record or known by us, based on information provided to us by the persons named below, to own beneficially at least 5% of our common stock; and
- all directors and executive officers as a group.

Name of Beneficial Owner (1)	Number of Shares Beneficially Owned	Class of Stock	Percentage Outstanding (2)
Martin Keating (3)	42,217,474	Common	30.76%
Victor F. Keen	5,206,667	Common	3.8%
Lawrence Field (4)	3,771,660	Common	2.8%
John O'Connor (5)	710,000	Common	*
Vivek Bhaman (6)	1,425,000	Common	*
James N. Welsh			
All directors and executive officers as a group (4 persons)	51,636,801		37.96%
Golden State Investors, Inc.	15,148,781		

* Less than 1%

(1) Unless otherwise indicated, the address of each beneficial owner listed below is c/o 3DIcon Corporation, 6804 South Canton Avenue, Suite 150, Tulsa, Oklahoma 74136.

(2) Applicable percentage ownership is based on 175,505,294 shares of common stock outstanding as of March 31, 2009. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Options to acquire shares of common stock that are currently exercisable or exercisable within 60 days of March 31 2009 are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage.

(3) Represents (i) 37,987,452 shares of common stock owned by Mr. Keating and (ii) 4,230,022 shares of common stock owned by Mr. Keating's wife, Judy Keating.

(4) Represents (i) 2,146,660 shares of common stock owned by Regent Private Capital of which Mr. Lawrence Field is a principal and managing director. Mr. Field disclaims any beneficial ownership of these shares and (ii) 1,625,000 stock options.

(5) Represents (i) 110,000 shares of common stock owned by Mr. O'Connor and (ii) 100,000 shares of common stock owned by the John M. and Lucia D. O'Connor Revocable Living Trust over which Mr. O'Connor has voting and investment control.

(6) Represents 1,425,000 stock options.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Other than as set forth below, during the last two fiscal years there have not been any relationships, transactions, or proposed transactions to which 3DIcon was or is to be a party, in which any of the directors, officers, or 5% or greater stockholders (or any immediate family thereof) had or is to have a direct or indirect material interest.

3DIcon has engaged the law firm of Newton, O'Connor, Turner & Ketchum as its outside corporate counsel since 2005. John O'Connor, a director of 3DIcon, is the Chairman of Newton, O'Connor, Turner & Ketchum.

Director Independence

Of the members of the Company's board of directors, Victor F. Keen and Lawrence Field are considered to be independent under the listing standards of the Rules of NASDAQ set forth in the NASDAQ Manual.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Audit Fees

The aggregate fees billed by our principal accountant for the audit of our annual financial statements, review of financial statements included in the quarterly reports and other fees that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for the fiscal years ended December 31, 2008 and 2007 were $57,000 and $59,385.

Tax Fees

There were no other fees billed for compliance, tax advice and tax planning, by our principal accountant for the fiscal year ended December 31, 2008 and 2007.

All Other Fees

There were no other fees billed for products or services provided by our principal accountant for the fiscal years ended December 31, 2008 and 2007.

ITEM 15. EXHIBITS.

3.1 Certificate of Incorporation (1)

3.2 Bylaws (1)

3.3 Amended Certificate of Incorporation (1)

3.4 Amended Certificate of Incorporation (1)

3.5 Amended Certificate of Incorporation (1)

10.1 Securities Purchase Agreement (1)

10.2 Amendment No. 1 to Securities Purchase Agreement and Debenture (1)

10.3 Registration Rights Agreement dated November 3, 2006(1)

10.4 $100,000 convertible debenture (1)

10.5 $1.25 million convertible debenture dated November 3, 2006 (1)

10.6 Common Stock Purchase Warrant (1)

10.7 Sponsored Research Agreement by and between 3DIcon Corporation and the Board of Regents of the University of Oklahoma (1)

10.8 Sponsored Research Agreement Modification No. 1 by and between 3DIcon Corporation and the Board of Regents of the University of Oklahoma (1)

10.9 Sponsored Research Agreement Modification No. 2 by and between 3DIcon Corporation and the Board of Regents of the University of Oklahoma (1)

10.10 Amendment No. 2 to Securities Purchase Agreement, Debentures, and Registration Rights Agreement (2)

10.11 Securities Purchase Agreement dated June 11, 2007 (2)

10.12 $700,000 Convertible Debenture (2)

10.13 $1.25 million convertible debenture dated November 21, 2007

10.14 Registration Rights Agreement dated November 21, 2007

23.1 Consent of HoganTaylor LLP

31.1	Certification by Chief Executive Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act
31.2	Certification by Chief Financial Officer, required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act
32.1	Certification by Chief Executive Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code
32.2	Certification by Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code

(1) Incorporated by reference to Form SB-2 as filed on December 15, 2006 (File No. 333-139420) and subsequently withdrawn on February 5, 2007
(2) Incorporated by reference to Form SB-2 as filed on June 14, 2007 (File No. 333-143761)

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

3DICON CORPORATION

Date: April 15, 2009

/s/Martin Keating
Name: Martin Keating
Title: Chief Executive Officer
(Principal Executive and Accounting Officer)

In accordance with the Exchange Act, 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*
By: /s/ Martin Keating *Martin Keating*	*Chief Executive Officer, Director (Principal Executive and Accounting Officer)*	*April 15, 2009*
By: /s/ Vivek Bhaman *Vivek Bhaman*	*Director*	*April 15, 2009*
By: /s/ Lawrence Field *Lawrence Field*	*Director*	*April 15, 2009*
By: /s/ John O' Connor *John O'Connor*	*Director*	*April 15, 2009*
By: /s/ Victor Keen *Victor F. Keen*	*Director*	*April 15, 2009*

3DIcon CORPORATION
(A Development Stage Company)

December 31, 2008 and 2007

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
3DIcon Corporation

We have audited the accompanying balance sheets of 3DIcon Corporation (a Development Stage Company) as of December 31, 2008 and 2007, and the related statements of operations, stockholders' deficiency and cash flows for the years then ended and for the period from inception (January 1, 2001) to December 31, 2008. 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. Tullius Taylor Sartain & Sartain LLP audited the financial statements of 3DIcon Corporation as of and for the year ended December 31, 2007 and for the period from inception (January 1, 2001) to December 31, 2007 and merged with Hogan & Slovacek P.C. to form HoganTaylor LLP effective January 7, 2009.

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 3DIcon Corporation as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended and for the period from inception (January 1, 2001) to December 31, 2008, 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 1 to the financial statements, the Company is a development stage organization having insufficient revenues and capital commitments to fund the development of its planned products. This raises substantial doubt about the Company's ability to continue as a going concern. Management's plan in regard to these matters is also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We were not engaged to examine management's assertion about the effectiveness of 3DIcon Corporation's internal controls over financial reporting as of December 31, 2008, included in the accompanying Management's Report on Internal Control over Financial Reporting and, accordingly, we do not express an opinion thereon.

/s/ HOGANTAYLOR LLP

Tulsa, Oklahoma
April 15, 2009

3DIcon CORPORATION
(A Development Stage Company)

BALANCE SHEETS

December 31, 2008 and 2007

	2008	2007
Assets		
Current assets:		
Cash	$ 48,400	$ 705,519
Prepaid expenses	16,113	15,944
Total current assets	64,513	721,463
Net property and equipment	31,537	11,832
Debt issue costs, net	56,978	97,249
Deposits-other	17,315	-
Total Assets	$ 170,343	$ 830,544
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Current maturities of convertible debentures payable	$ 364,000	$ 700,000
Warrant exercise advances	140,500	-
Accounts payable	1,135,887	484,513
Accrued salaries	59,615	-
Accrued interest on debentures	6,808	8,854
Total current liabilities	1,706,810	1,193,367
Convertible debentures payable, less current maturities	675,279	558,375
Total Liabilities	2,382,089	1,751,742
Stockholders' deficiency:		
Common stock $.0002 par, 250,000,000 shares authorized; 157,515,766 and 127,125,232 shares issued and outstanding at December 31, 2008 and 2007, respectively	31,503	25,425
Additional paid-in capital	8,766,830	6,451,906
Deficit accumulated during development stage	(11,010,079)	(7,398,529)
Total stockholders' deficiency	(2,211,746)	(921,198)
Total Liabilities and Stockholders' Deficiency	$ 170,343	$ 830,544

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF OPERATIONS

Years ended December 31, 2008 and 2007
and Period from Inception (January 1, 2001) to December 31, 2008

	2008	2007	Inception to December 31, 2008
Income:			
License Fee	$ 25,000	$ -	$ 25,000
Sales	17,900		17,900
Total income	42,900		42,900
Expenses:			
Research and development	953,802	1,020,888	2,463,561
General and administrative	2,578,357	2,819,525	8,348,026
Interest	122,291	88,583	241,392
Total expenses	3,654,450	3,928,996	11,052,979
Net loss	$ (3,611,550)	$ (3,928,996)	$ (11,010,079)
Loss per share:			
Basic and diluted	$ (0.025)	$ (0.035)	
Weighted average shares outstanding, Basic and diluted	142,669,496	113,468,331	

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY

Period from Inception (January 1, 2001) to December 31, 2008

	Common Stock Shares	Par Value	Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total
Balance, January 1, 2001 – as reorganized	27,723,750	$ 27,724	$ 193,488	$ -	$ 221,212
Adjustment to accrue compensation earned but not recorded	-	-	-	(60,000)	(60,000)
Stock issued for services	2,681,310	2,681	185,450	-	188,131
Stock issued for cash	728,500	729	72,121	-	72,850
Net loss for the year	-	-	-	(259,221)	(259,221)
Balance, December 31, 2001	31,133,560	31,134	451,059	(319,221)	162,972
Adjustment to record compensation earned but not recorded	-	-	-	(60,000)	(60,000)
Stock issued for services	3,077,000	3,077	126,371	-	129,448
Stock issued for cash	1,479,000	1,479	146,421	-	147,900
Net loss for the year	-	-	-	(267,887)	(267,887)
Balance, December 31, 2002	35,689,560	35,690	723,851	(647,108)	112,433
Adjustment to record compensation earned but not recorded	-	-	-	(90,000)	(90,000)
Stock issued for services	15,347,000	15,347	-	-	15,347
Stock issued for cash	1,380,000	1,380	33,620	-	35,000
Reverse split 1:10	(47,174,904)	-	-	-	-
Par value $0.0001 to $0.0002	-	(51,369)	51,369	-	-
Net loss for the year	-	-	-	(51,851)	(51,851)
Balance, December 31, 2003	5,241,656	1,048	808,840	(788,959)	20,929
Additional Founders shares issued	25,000,000	5,000	(5,000)	-	-
Stock issued for services	24,036,000	4,807	71,682	-	76,489
Stock issued for cash	360,000	72	28,736	-	28,808
Warrants issued to purchase common stock at $.025	-	-	18,900	-	18,900
Warrants issued to purchase common stock at $.05	-	-	42,292	-	42,292
Stock warrants exercised	2,100,000	420	60,580	-	61,000
Net loss for the year	-	-	-	(617,875)	(617,875)
Balance, December 31, 2004	56,737,656	11,347	1,026,030	(1,406,834)	(369,457)
Stock issued for services	5,850,000	1,170	25,201	-	26,371
Stock issued to settle liabilities	5,000,000	1,000	99,000	-	100,000
Stock issued for cash	1,100,000	220	72,080	-	72,300
Warrants issued to purchase common stock at $.025	-	-	62,300	-	62,300
Warrants issued to purchase common stock at $.05	-	-	140,400	-	140,400
Stock warrants exercised	5,260,000	1,052	172,948	-	174,000
Net loss for the year	-	-	-	(592,811)	(592,811)
Balance, December 31, 2005	73,947,656	$ 14,789	$ 1,597,959	$ (1,999,645)	$ (386,897)

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY

Period from Inception (January 1, 2001) to December 31, 2008

	Common Shares	Stock Par Value	Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total
Stock issued for services	4,700,000	940	205,597	-	206,537
Debentures converted	3,000,000	600	149,400	-	150,000
Stock issued for cash	200,000	40	16,160	-	16,200
Warrants issued to purchase common stock	-	-	33,800	-	33,800
Warrants converted to purchase common stock	16,489,000	3,297	565,203	-	568,500
Net loss for the year	-	-	-	(1,469,888)	(1,469,888)
Balance, December 31, 2006	98,327,656	19,666	2,568,119	(3,469,533)	(881,748)
Stock issued for services	817,727	164	155,262	-	155,426
Stock issued for interest	767,026	153	38,198	-	38,351
Stock based compensation	-	-	1,274,666	-	1,274,666
Debentures converted	17,215,200	3,442	1,673,741	-	1,677,183
Stock issued for cash	1,188,960	238	191,898	-	192,136
Options exercised	222,707	45	(45)	-	-
Warrants issued to purchase common stock	-	-	87,864	-	87,864
Warrants converted to purchase common stock	8,585,956	1,717	462,203	-	463,920
Net loss for the year	-	-	-	(3,928,996)	(3,928,996)
Balance, December 31, 2007	127,125,232	25,425	6,451,906	(7,398,529)	(921,198)
Stock issued for cash	515,677	103	24,897	-	25,000
Warrants exercised	1,347,261	269	362,425	-	362,694
Stock based compensation	-	-	654,199	-	654,199
Debentures converted	15,257,163	3,052	962,257	-	965,309
Options exercised and escrowed shares	8,671,460	1,734	(1,734)	-	-
Stocks issued for service	4,598,973	920	312,880	-	313,800
Net loss for the year	-	-	-	(3,611,550)	(3,611,550)
Balance, December 31, 2008	157,515,766	$ 31,503	$ 8,766,830	$ (11,010,079)	$ (2,211,746)

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF CASH FLOWS

Years ended December 31, 2008 and 2007
and Period from Inception (January 1, 2001) to December 31, 2008

	2008	2007	Inception to December 31, 2008
Cash Flows from Operating Activities			
Net loss	$ (3,611,550)	$ (3,928,996)	$ (11,010,079)
Adjustments to reconcile net loss to net cash used in operating activities:			
Options issued for services	654,199	1,274,666	1,928,865
Stock issued for services	313,800	155,426	1,111,550
Stock issued for interest	-	38,351	38,351
Amoritization of debt issuance costs	5,658	1,734	7,744
Change in:			
Impairment of assets	-	-	292,202
Prepaid expenses and other assets	17,484	(144,748)	(266,828)
Accounts payable and accrued liabilities	708,943	89,781	1,231,308
Net cash used in operating activities	(1,906,163)	(2,454,576)	(6,567,406)
Cash Flows from Investing Activities			
Purchase of office furniture and equipment	(25,363)	(8,756)	(39,281)
Net cash used in investing activities	(25,363)	(8,756)	(39,281)
Cash Flows from Financing Activities			
Proceeds from stock and warrant sales, exercise of warrants and warrant exercise advances	528,194	743,920	2,746,364
Proceeds from issuance of debentures	746,213	2,222,500	3,908,713
Net cash provided by financing activities	1,274,407	2,966,420	6,655,077
Net increase (decrease) in cash	(657,119)	503,088	48,390
Cash, beginning of period	705,519	202,431	10
Cash, end of year	$ 48,400	$ 705,519	$ 48,400
Supplemental Disclosures			
Non-Cash Investing and Financing Activities			
Conversion of debentures to common stock (net)	$ 965,309	$ 1,667,183	$ 2,792,491
Cash paid for interest	$ 124,336	$ 52,535	$ 232,326

See notes to financial statements

Note 1 – Organization and Operations

Organization

3DIcon Corporation (the "Company") was incorporated on August 11, 1995, under the laws of the State of Oklahoma as First Keating Corporation. The articles of incorporation were amended August 1, 2003 to change the name to 3DIcon Corporation. The initial focus of First Keating Corporation was to market and distribute books written by its founder, Martin Keating. During 2001, First Keating Corporation began to focus on the development of 360-degree holographic technology. The effective date of this transition is January 1, 2001, and the financial information presented is from that date through the current period. The Company has accounted for this transition as reorganization and accordingly, restated its capital accounts as of January 1, 2001. From January 1, 2001, the Company's primary activity has been the raising of capital in order to pursue its goal of becoming a significant participant in the formation and commercialization of interactive, optical holography for the communications and entertainment industries.

The mission of the Company is to pursue, develop and market full-color, 360-degree person-to-person holographic technology. Its primary focus is to invest and participate in the commercialization of optical holographic technologies now planned and/or under development, particularly those employing derivative broadband, satellite-based systems. At this time, the Company owns no intellectual property rights in holographic technologies and has no contracts or agreements pending to acquire such rights.

Uncertainties

The accompanying financial statements have been prepared on a going concern basis. The Company is in the development stage and has insufficient revenue and capital commitments to fund the development of its planned product and to pay operating expenses. Additionally, the Company has been unable to meet its monthly payment obligations and is therefore in default of the Sponsored Research Agreement ("SRA") (see note 4). A revised payment schedule was agreed to in October 2008. Failure of the Company to meet its revised payment obligations could result in the termination or the SRA and any outstanding license agreements under the SRA. The Company has realized a cumulative net loss of $11,010,079 for the period from inception (January 1, 2001) to December 31, 2008, and a net loss of $3,611,550 and $3,928,996 for the years ended December 31, 2008 and 2007, respectively. .

Note 1 – Organization and Operations (continued)

The ability of the Company to continue as a going concern during the next year depends on the successful completion of the Company's capital raising efforts to fund the development of its planned products. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Management plans to fund the future operations of the Company with existing cash of $48,400, grants and investor funding. Under the terms of the Golden Gate debentures, Golden Gate may advance an additional $378,787. The additional advance would be available if the Company filed a registration statement, however, the Company does not plan to file such registration statement. In addition, pursuant to the 4.75% Convertible Debenture due in 2011, beginning in November 2007, Golden Gate is obligated to submit conversion notices in an amount such that Golden Gate receives 1% of the outstanding shares of the Company every calendar quarter for a period of one year. In connection with each conversion, Golden Gate is expected to exercise warrants equal to 10 times the amount of principal converted. The warrants are exercisable at $10.90 per share. The number of warrants exercisable is subject to certain beneficial ownership limitations contained in the 4.75% Debenture and the warrants (“the Beneficial Ownership Limitations”). The Beneficial Ownership Limitations prevent Golden Gate from converting on the 4.75% Debenture or exercising warrants if such conversion or exercise would cause Golden Gate’s holdings to exceed 9.99% of the Company’s issued and outstanding common stock. Subject to the Beneficial Ownership Limitations, Golden Gate is required to convert $3,000 of the 4.75% Convertible Debenture and exercise 30,000 warrants per month. Based upon our current stock price, our issued and outstanding shares as of December 31, 2008 and ignoring the impact of the Beneficial Ownership Limitations, we may receive up to $981,000 in funding from Golden Gate as a result of warrant exercises subsequent to December 31, 2008.

The Company was approved for a matching grant from Oklahoma Center for the Advancement of Science and Technology (“OCAST”) on November 19, 2008 in the amount of approximately $300,000 to be provided during 2009 and 2010. (See note 10)

Note 1 – Organization and Operations (continued)

Additionally, the Company is continuing to pursue financing through private offering of debt or common stock.

Note 2 – Summary of Significant Accounting Policies

Research and development

Research and development costs, including payments made to the University of Oklahoma pursuant to the SRA, are expensed as incurred. (Note 4)

Stock-based compensation

The Company accounts for stock-based compensation arrangements for employees in accordance with *Statement of Financial Accounting Standards (SFAS) No. 123(R*), *Share-Based Payments.* The Company recognizes expenses for employee services received in exchange for stock based compensation on the grant-date fair value of the shares awarded. The Company accounts for stock issued to non-employees in accordance with the provisions of *SFAS No. 123*, *Accounting for Stock-Based Compensation*, and the related Emerging Issues Task Force (EITF) Consensuses.

Income taxes

The Company accounts for income taxes in accordance with *Statement of Financial Accounting Standards (SFAS) No. 109*, *Accounting for Income Taxes*. *SFAS No. 109* requires the recognition of deferred tax assets and liabilities for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In addition, *SFAS No. 109* requires the recognition of future tax benefits, such as net operating loss carry forwards, to the extent that realization of such benefits is more likely than not. The amount of deferred tax liabilities or assets is calculated using tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts more likely than not to be realized.

Net income (loss) per common share

The Company computes net income (loss) per share in accordance with *SFAS No. 128*, *Earnings per Share* and *SEC Staff Accounting Bulletin No. 98 ("SAB 98").* Under the provisions of *SFAS No. 128* and *SAB 98*, basic net income (loss) per common share is based on the weighted-average outstanding common shares. Diluted net income (loss) per common share is based on the weighted-average outstanding shares adjusted for the dilutive effect of warrants to purchase common stock and convertible debentures. Due to the Company's losses, such potentially dilutive securities are anti-dilutive for all periods presented. The weighted average number of potentially dilutive shares are 21,930,644 and 10,935,382 for the years ended December 31, 2008 and 2007, respectively.

See notes to financial statements

Note 2 – Summary of Significant Accounting Policies (continued)

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 the reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from the estimates and assumptions used.

Debt issue costs

The Company defers and amortizes the legal and filing fees associated with long-term debt that is issued. These costs are primarily related to the convertible debentures, the majority of which have a three year term. The amortization is charged to operations over the three year term and then adjusted quarterly for debenture conversions to common stock.

Fair value of financial instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument held by the Company:

Current assets and current liabilities – The carrying value approximates fair value due to the short maturity of these items.
Debentures payable – The fair value of the Company's debentures payable has been estimated by the Company based upon the liability’s characteristics, including interest rate. The carrying value approximates fair value.

Note 3 – Recent Accounting Pronouncements

The following are summaries of recent accounting pronouncements that are relevant to the Company:

In April 2008, the FASB issued Staff Position (“FSP”) No. FAS 142-3, *“Determination of the Useful Life of Intangible Assets”* (“FSP FAS 142-3”). FSP FAS 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, “Goodwill and Other Intangible Assets.” This FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. The guidance contained in this FSP for determining the useful life of a recognized intangible asset is applied prospectively to intangible assets acquired after the effective date. Additional disclosures required in this FSP are applied prospectively to all intangible assets recognized as of, and subsequent to, the effective date.

Note 3 – Recent Accounting Pronouncements (continued)

In September 2006, the FASB issued Statement No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. In February 2008, the FASB released FASB Staff Position, (FSP) SFAS 157-2—Effective Date of FASB Statement No. 157, which delays the effective date of SFAS 157 for all non-financial assets and non-financial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008. We adopted SFAS 157 as it applies to financial assets and liabilities as of January 1, 2008. The implementation of SFAS 157, as it relates to financial assets and liabilities did not have a material impact on our financial position, results of operations and cash flows.

In February 2007, the FASB issued SFAS No. 159, "The *Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115*" ("SFAS 159"). This Statement permits entities to make an irrevocable election to measure certain financial instruments and other assets and liabilities at fair value on an instrument-by-instrument basis. Unrealized gains and losses on items for which the fair value option is elected will be recognized in net earnings at each subsequent reporting date. SFAS 159 is effective for the Company's year that began January 1, 2008. The adoption of SFAS 159 did not have a material effect on the financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133*. ("SFAS 161") SFAS 161 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedge items are accounted for under Statement 133, *Accounting for Derivative Instruments and Hedging Activities,* and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS 161 is intended to enhance the current disclosure framework in SFAS 133 and requires qualitative disclosures about objectives and strategies for using derivatives, quantitative disclosures about fair value amounts of gains and losses on derivative instruments, and disclosures about credit-risk related contingent features in derivative agreements. The provisions of SFAS 161 are effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The adoption of this statement will not have a material effect on the Company's financial statements.

In May 2008, FASB issued *SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles"*. This statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). This statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, *The Meaning of Presented Fairly in Conformity With Generally Accepted Accounting*

See notes to financial statements

Principles. The adoption of this statement did have a material effect on the Company's financial statements.

Note 4 – Sponsored Research Agreement (*SRA)*

On April 20, 2004, the Company entered into a SRA entitled "Investigation of Emerging Digital Holography Technologies" (Phase I) with the University of Oklahoma - Tulsa ("University"), which expired October 19, 2004. On July 15, 2005, the Company entered into a SRA with the University (Phase II), which expired January 14, 2007. Under this agreement the University conducted a research project entitled "Investigation of Emerging 3-Dimensional Display Technologies". The agreement was modified in November 2006 to provide additional funding, and extended the term of the agreement through June 30, 2007.

On February 23, 2007 the Company entered into a SRA with the University (Phase III) which expires March 31, 2010. Under this agreement the University will conduct a research project entitled "3-Dimensional Display Development" that seeks to make significant progress in the development of 3-dimensional display technologies. The Company agreed to pay the University $3,468,595 payable in monthly installments ranging from $92,263 to $112,777 beginning April 30, 2007 and ending March 31, 2010, an aggregate commitment of $4,047,439.

On October 31, 2008 OU agreed to revise the payment terms under the SRA from a fixed monthly payment to a reimbursable cost payment basis effective September 1, 2008. As of September 30, 2008 the Company had a remaining obligation under the previous SRA payment schedule of $2,665,818 which includes monthly payments due for December 2007 through August 31, 2008 of $861,131. The $1,804,687 balance of the remaining scheduled payment obligation was cancelled. Under the terms of the revised base payments schedule, the arrearages will be paid in nine monthly base installments from October 31, 2008 to June 30, 2009 of amounts ranging from $35,000 to $101,132 leaving a remaining balance after the base payments of $290,000. In addition to the monthly base payments, the Company agreed to make additional payments on the $861,131 arrearages based on a formula of 50% of funding in excess of $120,000 plus the base monthly payment. In the event funding does not provide for any additional payments, the remaining balance would be $290,000, which OU agreed to accept 4,264,707 shares of the Company's common stock based on the October 14, 2008 market price as reported on the OTC Bulletin Board of $0.068 per share as payment on June 30, 2009. The Company has the option to repurchase the shares at $0.068 per share by September 30, 2009 or at market value, but not less than $0.068 per share, if the repurchase occurs after September 30, 2009.

During the years ended December 31, 2008 and 2007, the Company charged operations $953,802 and $1,020,888, respectively, pursuant to the SRA. At December 31, 2008, the Company owed the University $198,365 in aggregate monthly payments and $741,131 on the arrearages under the revised payment terms.

Note 5 – Consulting Agreements

Concordia Financial Group

The Company signed an Independent Consultant Agreement with Concordia Financial Group ("Concordia") on August 7, 2007 to memorialize an oral agreement for consultant services that

Concordia has performed since November 16, 2005, and continued through October 31, 2007 when it was terminated. Under the terms of the agreement Concordia assisted the Company by reviewing and evaluating the Company's plans, personnel, board composition, technology, development of business models, building financial models for projections, developing materials to describe the Company, developing capital sources and assisting and advising the Company in its financial negotiations with capital sources. Concordia also advised with respect to effective registration of offerings of Company securities and listing of the Company on the OTC Bulletin Board, the management team, the Company's development of near and long-term budgets, marketing strategies and plans, and assisted in presentations related to the above services. The Company paid Concordia $74,460 in 2007. As additional consideration for business strategy consulting services, the Company granted Concordia options to purchase 5 million shares of Company stock with an exercise price of $0.05 per share. The options were valued at $843,390 and were charged to operations in 2007. The estimated fair market value of the options was determined by using the Black-Scholes option pricing model. The expected dividend yield of $0 is based on the average annual dividend yield as of the grant date. Expected volatility of 147.83% is based on the historical volatility of our stock. The risk-free interest rate of 3.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of two years is based on historical exercise behavior and expected future experience. (See Note 7)

The Company entered into a new one year Independent Consulting Agreement with Concordia effective November 1, 2007. Under the new agreement Concordia will serve as liaison to Golden Gate Investors, Inc. and provide business strategy services similar to those provided under the previous agreement. Concordia will be paid a monthly fee of $15,750. Concordia, at its option, may take up to 100% of this monthly fee in registered stock at 50% discount to market; and the Company, at its option, may pay up to 50% of Concordia's monthly invoice in registered stock, at 50% discount to market, provided that the payment of stock is made within ten (10) days of receipt of invoice and further provided that the stock trades above $.30 per share at any time during the last business day of the month. Market is defined as the five day average of closing prices immediately proceeding the last business day of the calendar month in which the invoiced services were rendered. Additionally, 3DIcon paid Concordia approximately $40,540 for services during the period November 1, 2007 to December 31, 2007 under the new one year agreement. During the year ended December 31, 2008, Concordia was paid $204,750. Under terms of the agreement, the services continue under a month to month basis.

In addition to the cash compensation, and conditioned upon terms of the agreement, the Company granted Concordia on May 1, 2008 and October 1, 2008, the option to purchase 250,000 shares of the Company stock, for a total of 500,000 options, at an exercise price of the average closing price of the stock for the five trading days prior to November 1, 2007 ($.37 per share). The shares, upon exercise will be freely tradable. The options expire on the third anniversary of the grant dates. The estimated fair value of the options is $78,391 which will be recognized in the period earned under the terms of the agreement. (See Note 7)

Note 5 – Consulting Agreements (continued)

Each grant of options to purchase shares is conditioned upon the Board's assessment, satisfaction and approval of Concordia's performance to the grant date. There were no charges to expense in relation to the options in 2007.

Innovation Drive, Inc.

Pursuant to a consulting agreement effective November 1, 2007 signed with Innovation Drive, Inc ("IDI") the Company engaged IDI; (1) to assist in opportunities with the federal government in R & D opportunities and eventually in sales funding; (2) become a subcontractor to prime contractors; (3) investigate, explore and capture multi-agency and/or multi-organizational teaming opportunities to generate a variety of program (and funding) opportunities; and (4) develop and distribute to targeted audiences in Washington materials to generate brand recognition. The Company will pay a monthly fee of $15,000, payable $5,000 in cash and $10,000 in shares of Company stock, until the first contract is signed and thereafter 50% cash and 50% Company stock. The shares issued under the agreement will be issued to Carla R. York, CEO of IDI and discounted 25% from a twenty day moving average prior to the invoice date. Additionally a contract fee ranging from $20,000 to $30,000 will be paid on contracts greater than $200,000 and a fee ranging from $35,000 to $45,000 on contracts greater than $500,000. The variance in fees is based on a contract being awarded within 120 days or within 150 days. If a contract is not awarded within 150 days, the fee is 3% of the contract amount. The agreement is for one year and is automatically extended on a month-to-month basis unless terminated by either party. The agreement was terminated effective August 18, 2008.

LIB Holdings, Inc

Pursuant to a letter agreement signed October 1, 2007, LIB Holdings, Inc. ("LIB") agreed to provide marketing and public relation services which includes (1) assistance with development of written and verbal company communications; (2) assistance with the development and maintenance of relevant and current information on the Company web site; (3) creation of media opportunities for visibility of the Company technologies; and (4) assisting with logistics and other arrangements for Company events. The Company agreed to pay a monthly fee of $3,000 payable in registered shares of the company stock. The number of shares to be issued is based on the 20 day average of the closing price immediately preceding the last day of the calendar month for which the fee is due. As additional compensation LIB was issued 150,000 restricted shares of the Company's common stock. The restricted shares were valued consistent with other shares issued for services at $4,625. The agreement commitment period terminated October 1, 2008 and is automatically extended on a month-to-month basis unless terminated by either party.

Note 5 – Consulting Agreements (continued)

Corporate Profile LLC

Pursuant to a letter agreement signed October 1, 2007 Corporate Profile LLC agreed to provide investor relation services. The Company agreed to pay a monthly fee of $3,000. The agreement continues on a month-to-month basis unless terminated by either party.

Note 6 – Debentures Payable

Debentures payable consist of the following:

	December 31, 2008	December 31, 2007
Senior Convertible Debentures:		
9.75% Debenture due January 31, 2009	$ 364,000	$ 700,000
6.25% Debenture due 2009	-	333,971
6.25% Debenture due 2010	578,601	125,000
4.75% Debentures due 2011	96,678	99,404
Total Debentures	1,039,279	1,258,375
Less - Current Maturities	(364,000)	(700,000)
Long-term Debentures	$ 675,279	$ 558,375

Securities Purchase Agreement

6.25% Convertible Debenture due 2009

The Company entered into a Securities Purchase Agreement (“Purchase Agreement”) with Golden Gate Investors, Inc. (“Golden Gate”) on November 3, 2006, as amended on December 15, 2006 and February 6, 2007, for the sale of a 6.25% convertible debenture in the principal amount of $1,250,000 (the “First Debenture”). The Company agreed to file a registration statement with the SEC for the resale of the common stock underlying the debenture. The registration statement became effective on July 3, 2007. Under the terms of the Purchase Agreement, Golden Gate advanced $125,000 during 2006 and converted the $125,000 debenture into 357,142 shares of common stock on July 16, 2007 at $0.35 per share. Pursuant to the Securities Purchase Agreement, Golden Gate provided the Company with an additional $312,500 of debenture funding upon effectiveness of the registration statement and converted the $312,500 debenture into 892,857 shares of common stock on July 17, 2007 at $0.35 per share. The remaining $812,500 of the $1.25 million debenture was placed with an escrow agent during 2007. During the remainder of 2007, $400,000 was released to the Company and the balance of $412,500 was released in 2008. At various dates after the July 3, 2007 effective date of the registration statement, $478,529 of the debenture was converted into 2,097,406 shares of common stock at prices ranging from $0.20 to $0.26 during 2007 and during the first quarter of 2008 the remaining $333,971 of the debenture was converted into 2,061,573 shares of common stock at prices ranging from $0.12 to $0.20 based on the formula in the convertible debenture.

Note 6 – Debentures Payable (continued)

6.25% Convertible Debenture due 2010

Pursuant to the terms of the Purchase Agreement, on October 24, 2007, at such time as the principal balance of the First Debenture was less than $400,000, the Company provided Golden Gate with written notice that it desired to require Golden Gate to purchase the second debenture.

On November 21, 2007, the Company issued and sold a convertible note in the principal amount of $1,250,000 to Golden Gate (the "Second Debenture"). Pursuant to the terms of the Second Debenture, Golden Gate may, at its election, convert all or a part of the Second Debenture into shares of the Company's common stock at a conversion rate equal to the lesser of (i) $2.00 or (ii) 90% of the average of the five lowest volume weighted average prices during the twenty trading days prior to Golden Gate's election to convert, subject to adjustment as provided in the Second Debenture. In addition, pursuant to the terms of the Second Debenture, the Company agreed to file a registration statement covering the shares of common stock issuable upon conversion or redemption of the Second Debenture. The registration statement became effective on January 4, 2008.

Golden Gate advanced $125,000 on the second $1.25 million debenture on November 9, 2007. Additionally, Golden Gate advanced $312,500 directly to the Company and $433,713 to an escrow account on the Second Debenture in January 2008 at which time the Company placed 7,961,783 shares of common stock in escrow to be released as debentures are converted. As of December 31, 2008, Golden Gate has funded an aggregate of $871,213 on the Second Debenture. Golden Gate will be obligated to fund the Company for the remaining $378,787 in principal on the Second Debenture upon the effectiveness of a registration statement underlying the remaining unfunded principal balance on the Second Debenture. At this time, the Company has not filed a registration statement. Under the terms of the Securities Purchase Agreement, the escrowed funds were advanced to the Company during 2008. At various dates during 2008, $292,611 of the debenture was converted into 3,651,337 shares of common stock at prices ranging from $0.05 to $0.14 based on the formula in the convertible debenture. Shares remaining in escrow and reported as outstanding at December 31, 2008 total 4,310,449.

Pursuant to the terms of the second $1.25 million debenture, the Company filed a registration statement covering the shares to be issued upon conversion of the debenture. The registration statement was effective January 4, 2008. Included in the registration statement are 2.25 million shares issuable upon conversion of the $333,971 balance of the First Debenture and 4.25 million shares issuable on the Second Debenture based on current market prices and assuming full conversion of the convertible debentures.

In addition to standard default provisions concerning timeliness of payments, delivery and notifications, the Second Debenture will be in default if the common stock of the Company trades at a price per share of $0.21 or lower, regardless of whether the trading price subsequently is higher than $0.21 per share. The Second Debenture is secured by the pledge of 11 million shares of common stock held by Martin Keating, the Chairman of the Company. In the event of default and the Company has not repaid all outstanding principal and accrued interest, along with liquidating damages of $250,000 within one day of default, Golden Gate shall have the right to immediately sell the pledged shares in satisfaction of any amounts of principal and interest owing under the Second Debenture. (See Note -13 Subsequent events)

Note 6 – Debentures Payable (continued)

In accordance with the terms of the Second Debenture, an event of default occurs if the common stock of the Company trades at a price per share of $0.21 or lower. The trading price was at $0.21 or lower on several occasions during 2008. On each of the occasions Golden Gate, by separate letter agreements, agreed that the occasions did not constitute a default and thereby waived the default provision for those occasions only.

4.75% Convertible Debenture due 2011

On November 3, 2006, the Company also issued to Golden Gate a 4.75% convertible debenture in a principal amount of $100,000, due 2011, and warrants to buy 1,000,000 shares of the common stock at an exercise price of $10.90 per share. Under the terms of the debenture, warrants are exercised in an amount equal to ten times the dollar amount of the debenture conversion. During 2007 Golden Gate converted $596 of the $100,000 debenture into 244,045 shares of common stock at $0.002 per share, exercised warrants to purchase 5,956 shares of common stock at $10.90 per share and the Company received $64,920 from the exercise of the warrants. During 2008, Golden Gate converted $2,726 of the $100,000 debenture into 5,115,695 shares of common stock at $0.002 per share, exercised warrants to purchase 27,261 shares of common stock at $10.90 per share and the Company received $297,145 from the exercise of the warrants. During 2008 Golden State advanced $200,000 against future exercises of warrants of which $59,500 was applied leaving $140,500 of unapplied advances.

9.75% Convertible due July 31, 2009

To obtain funding for ongoing operations, the Company entered into a Bridge Financing Agreement with Golden Gate which closed on June 11, 2007 (the “Financing Agreement”), for the sale of a 9.75% convertible debenture in the principal amount of $700,000. Pursuant to the Financing Agreement, the Company filed a registration statement with the SEC within three days of closing for the resale of the common stock underlying the $1.25 million convertible debenture, which was issued to Golden Gate Investors on November 3, 2006. The Company received gross proceeds of $700,000 from the sale of the aforementioned debenture. At various dates during 2008, $336,000 of the debenture was converted into 8,079,895 shares of common stock at prices ranging from $0.04 to $0.05 per common share based on the formula in the convertible debenture. The June 8, 2008 original due date of the 9.75% debentures has been extended to July 31, 2009.

The debenture may be converted, at Golden Gate’s option, in whole or in part, into restricted shares of the Company’s common stock. The conversion price will be $0.28 until the earlier of, the Company’s shares trading on the OTC Bulletin Board or other trading market that the SEC recognizes as a trading market, or January 1, 2008. Subsequently, the conversion price is equal to 72% of the average of the five lowest volume weighted average prices for the common stock-for the 20 trading days prior to the conversion date. The convertible debenture matures June 11, 2008; subject to an option held by Golden Gate to extend the maturity for one period of six months. Interest on the convertible debenture is payable monthly in cash.

Note 6 – Debentures Payable (continued)

Interest on the 6.25% convertible debentures is payable monthly in cash or, at Golden Gate's option, in shares of common stock of the Company valued at the then applicable conversion price. The initial $1.25 million convertible debenture is convertible into the number of the shares of common stock equal to the dollar amount of the debenture divided by the conversion price.

The conversion price for the initial $1.25 million convertible debenture is (1) $.35 per share until the common stock is quoted on the OTC Bulletin Board or otherwise trading on the NASDAQ or a national securities exchange and (2) thereafter the lesser of (i) $2.00 or, (ii) 70% of the average of the five lowest volume weighted average prices during the twenty (20) trading days prior to the conversion. The conversion price for the second $1.25 million convertible debenture is (1) $.35 per share until the common stock is quoted on the OTC Bulletin Board or otherwise listed as trading on the NASDAQ or a national securities exchange and thereafter (2) the lesser of (i) $2.00 or (ii) 90% of the average of the five lowest volume weighted average prices during the twenty (20) trading days prior to the conversion. The conversion price for the $100,000 convertible debenture is $.35 per share until the earlier of January 1, 2008 or the date the common stock is quoted on the OTC Bulletin Board or otherwise listed as trading on the NASDAQ or a national securities exchange and thereafter, the lesser of (i) $4.00 or (ii) 80% of the average of the five lowest volume weighted average prices during the twenty (20) trading days prior to the conversion. If Golden Gate elects to convert a portion of the debenture and, on the day that the election is made, the volume weighted average price is below $0.75, the Company shall have the right to prepay that portion of the debenture that Golden Gate elected to convert, plus any accrued and unpaid interest, at 135% of such amount.

Debentures payable-related party

Judith F. Keating, the Secretary of the Company and the wife of Martin Keating, Chairman and CEO of the Company, advanced the Company $272,500 for working capital during 2007. The Company issued convertible debentures for the amounts advanced. The debentures were converted into 2,732,750 shares of common stock effective March 2, 2007.

Note 7 – Common Stock and Paid-In Capital

At various dates throughout 2006, the Company sold 200,000 shares of common stock with warrants attached for $.25 per share pursuant to an exempt offering. Each subscriber received one share of common stock with two separate warrants to purchase additional shares of Rule 144 stock as follows: (a) ten times the number of shares within one year of the date subscribed at $.025 per share and (b) another ten times the number of shares within two years of the date subscribed at $.05 per share. At various dates throughout 2008 and 2007, the Company issued 1,320,000 and 8,580,000 shares, respectively, of its common stock pursuant to the exercise of the warrants by non-employees. The Company received $66,000 and $369,000, respectively, in cash. The remaining warrants totaling 80,000 were cancelled in 2008.

Note 7 – Common Stock and Paid-In Capital (continued)

Pursuant to a Subscription Agreement dated October 12, 2007, the Company sold 1,188,960 shares of the Company's common stock at a per share price equal to 75% of the average closing price during the five (5) days prior to the signing ($.31 per share) and warrants to purchase 594,482 shares of its common stock at a price of $.40 per share from October 12, 2007 through October 11, 2008, or $.50 per share from October 12, 2008 through October 11, 2009 to two accredited individuals. The Company received $280,000 in cash from the sale. The warrants terminate October 11, 2009.

Pursuant to a Subscription Agreement dated October 1, 2008, the Company sold 515,677 shares of the Company's common stock at a per share price equal to 80% of the average closing price during the five (5) days prior to the signing ($.048 per share) and warrants to purchase 257,839 shares of its common stock at a price of $.20 per share from October 1, 2008 through August 31, 2009, or $.25 per share from September 30, 2009 through August 31, 2010 to one accredited individual. The Company received $25,000 in cash from the sale. The warrants terminate August 31, 2010.

As of December 31, 2008, there are warrants outstanding to purchase 594,482 shares of common stock at a price of $.50 per share which expire on October 11, 2009 and warrants to purchase 257,839 shares of common stock at a price of $.20 per share from October 1, 2008 through August 31, 2009, or $.25 per share from September 1, 2009 through August 31, 2010.

Common stock and options issued for services

During 2008 shares of common stock totaling 4,598,973 were issued for consulting services for which the Company recognized $313,800 of expense. During 2007 shares of common stock totaling 817,727 were issued for legal and consulting services for which the Company recognized $155,426 of expense.

Options granted

Board of Directors – On April 27, 2007, the Company granted its three Directors 1,500,000 options exercisable at $.40 per share. The options were valued at $431,276 and were charged to operations in 2007.

The estimated fair value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 124.4% is based on the historical volatility of our stock. The risk-free interest rate of 3.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of two years is based on historical exercise behavior and expected future experience.

Board of Directors – On February 25, 2008, the Company agreed to compensate its non-employee Board members with options to purchase registered stock of the corporation equaling the value of $100,000 for each of the three non-employee Board members; using standard evaluation methods. The Board granted options to purchase an aggregate of 2,061,540 shares to its three non-employee Board members; the exercise price for each option is $0.24 per share. The options expire at the end of ten years. The $300,000 compensation is for services on the Board during all or part of the calendar year 2008 and is deemed fully vested on the date of the grant. Operations were charged with $300,000 for the year ended December 31, 2008.

The estimated fair value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 71.33% is based on the historical volatility of the stock since July 25, 2007, the day the Company began trading on the Over-the-counter Bulletin Board. The risk-free interest rate of 3.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience.

Director - - On October 12, 2008, the Company agreed to compensate its Director John O’Connor with 500,000 additional options to purchase stock of the corporation at $0.055 per share. The options expire at the end of ten years. The compensation is for services on the Board during all or part of the calendar year 2008 and is deemed fully vested on the date of the grant. Operations were charged with $25,391 for the year ended December 31, 2008.

The estimated fair value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 125.20% is based on the historical volatility of the stock since July 25, 2007, the day the Company began trading on the Over-the-counter Bulletin Board. The risk-free interest rate of 2.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience.

Employment Agreement - On April 29, 2007 the Company entered into an Employment Agreement with Vivek Bhaman (the “Bhaman Agreement”) pursuant to which Mr. Bhaman agreed to serve as the President and Chief Operating Officer of the Company. Mr. Bhaman’s employment under the Bhaman Agreement commenced on May 1, 2007 and will continue for a term of one year from May 1, 2007, the date on which he became a full-time employee of the Company. The term of the Bhaman Agreement will automatically extend for successive one year periods unless otherwise terminated by the parties in accordance with the terms of the Bhaman Agreement. The following represents the material terms of the Bhaman Agreement:

Note 7 – Common Stock and Paid-In Capital (continued)

- Annual salary of $250,000;
- Cash bonus equal to twenty-five percent (25%) of the annual salary in the event the Company records revenue of $500,000 for the calendar year 2007; and Mr. Bhaman is an employee of the Company;
- Grant of 100,000 stock options valued at $21,032 with a term of 10 years and an exercise price of $0.080 per share which vest on the commencement date of employment, May 1, 2007;
- Grant of 200,000 stock options valued at $44,064 with a term of 10 years and an exercise price of $1.00 per share which vest on May 1, 2008; and
- Grant of 200,000 stock options valued at $32,211 with a term of 10 years and an exercise price of $1.50 per share which vest on May 1, 2009.

The estimated fair value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 137.60% is based on the historical volatility of the stock since July 25, 2007, the day the Company began trading on the Over-the-counter Bulletin Board. The risk-free interest rate of 4.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience.

Amended Employment Agreement- On October 12, 2008, the Company entered into an Amendment to the Employment Agreement of Vivek Bhaman, (the “Amendment”). Pursuant to the Amendment, Mr. Bhaman’s base salary effective May 1, 2008 is $300,000, representing an annual increase of $50,000. The Company has the option to defer payment of any or all of the increase until April 30, 2009. If deferred, the Company may elect to pay the increase in shares of the Company’s common stock at a 25% discount to the market price of the Company’s common stock on April 30, 2009. The Bonus provision of Mr. Bhaman’s employment agreement has been deleted. In addition, pursuant to the amendment, Mr. Bhaman was granted an aggregate of 6,000,000 options to purchase shares of the Company’s common stock at an exercise price of $0.055 per share with a term of 10 years comprised of (i) 1,000,000 options vesting immediately valued at $50,782, and (ii) 5,000,000 options valued at $253,909, vesting at a rate of 125,000 options per quarter. The vesting schedule of the 5,000,000 options may be accelerated if the market price of the Company’s common stock exceeds certain thresholds pursuant to the terms of the Amendment. In addition, pursuant to the amendment, in the event that Mr. Bhaman’s employment with the Company is terminated, he shall be entitled to severance pay equal to his regular monthly salary for a period not to exceed 6 months.

There are 1,425,000 options vested at December 31, 2008 under the original and amended employment agreements.

Note 7 – Common Stock and Paid-In Capital (continued)

The estimated fair value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 125.20% is based on the historical volatility of the stock since July 25, 2007, the day the Company began trading on the Over-the-counter Bulletin Board. The risk-free interest rate of 2.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience. Operations were charged $50,782 for the vesting of the one million options on October 1, 2008. The $253,909 value of the five million options will be charged to operations at the rate of $25,391 annually over the ten year vesting period under the terms of the Employment Agreement.

Employment Agreement - On July 28, 2008 the Company entered into an Employment Agreement with Dr. Hakki Refai (the "Employment Agreement") pursuant to which Dr. Refai has agreed to serve as the Chief Technology Officer of the Company. Dr. Refai's employment under the Employment Agreement commenced on October 1, 2008 and will continue for a term of one year from October 1, 2008, the date on which he became a full-time employee of the Company. The term of the Employment Agreement will automatically extend for successive one year periods unless otherwise terminated by the parties in accordance with the terms of the Employment Agreement. The following represents the material terms of the Employment Agreement:

- Annual salary of $175,000 until the achievement of certain technical milestones as provided in the Employment Agreement (the "Technical Milestones"). Upon achievement of the Technical Milestones, the annual salary shall increase to $200,000;

- Commission which shall not exceed 3% of sales of the Company's Pixel Precision™ and CSpace™ technologies products, which commission shall not exceed $30,000 for the 12 month period commencing on October 1, 2008 and $50,000 for the 12 month period commencing on October 1, 2009; and

- Grant of 5,000,000 incentive stock options with a term of 10 years and an exercise price of $0.085 per share which vest as follows:

    1. The first installment of 500,000 options, valued at $33,622, are vested and exercisable on October 1, 2008, the date Dr. Refai commences full-time employment;

    2. 3,500,000 options, valued at $235,357, vesting in accordance with certain technical achievements, deliverables and milestones as provided in the Employment Agreement; and

Note 7 – Common Stock and Paid-In Capital (continued)

3. 1,000,000 options vesting in accordance with certain non-technical, general milestones as provided in the Employment Agreement or upon severance of the Employment Agreement under certain conditions as provided in the Employment Agreement.

The estimated fair value of the options was determined using the Black-Scholes option pricing model. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 95.50% is based on the historical volatility of the stock since July 25, 2007, the day the Company began trading on the Over-the-counter Bulletin Board. The risk-free interest rate of 2.0% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience. Operations were charged $100,867 in 2008 for the vesting of the options cost of Mr. Refai under the terms of the Employment Agreement.

The following summary reflects warrant and option activity for the year ended December 31, 2008.

	Attached Warrants	Golden Gate Warrants	Options
Outstanding December 31, 2007	1,994,482	994,044	7,250.000
Granted	257,839	-	13,761,540
Exercised	(1,320,000)	(27,261)	(750,000)
Cancelled	(80,000)	-	(750,000)
Outstanding December 31, 2008	852,321	966,783	20,111,540

Stock options are valued at the date of award, which does not precede the approval date, and compensation cost is recognized in the period the options are granted. Stock options generally become exercisable on the date of grant and expire based on the terms of each grant.

The estimated fair value of options for our common stock granted was determined using the Black-Scholes option pricing model. The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience.

See notes to financial statements

Note 7 – Common Stock and Paid-In Capital (continued)

Common stock rights

Holders of shares of common stock are entitled to one vote per share on all matters submitted to a vote of the shareholders. Shares of common stock do not have cumulative voting rights. Holders of record of shares of common stock are entitled to receive dividends when and if declared by the board of directors. To date, the Company has not paid cash dividends. The Company intends to retain any earnings for the operation and expansion of its business and does not anticipate paying cash dividends in the foreseeable future.

Any future determination as to the payment of cash dividends will depend on future earnings, results of operations, capital requirements, financial condition and such other factors as the board of directors may consider. Upon any liquidation, dissolution or termination of the Company, holders of shares of common stock are entitled to receive a pro rata distribution of the assets of the Company after liabilities are paid.

Holders of common stock do not have pre-emptive rights to subscribe for or to purchase any stock, obligations or other securities of 3DIcon.

Note 8 – Incentive Stock Plan

In August 2007 the Company established 3DIcon Corporation 2007 Incentive Stock Plan (the "Plan"). The Plan is designed to retain directors, executives and selected employees and consultants and reward them for making major contributions to the success of the Company. These objectives are accomplished by making long-term incentive awards under the Plan thereby providing Participants with a proprietary interest in the growth and performance of the Company. The total number of shares of stock which may be purchased or granted directly by options, stock awards or restricted stock purchase offers, or purchased indirectly through exercise of options granted under the Plan shall not exceed eight million (8,000,000) shares. The shares are included in a registration statement filed August 7, 2007 which registered shares totaling fifteen million shares. Shares totaling 4,598,973 and 210,000 were issued from the Plan during 2008 and 2007, respectively, for services.

Note 9 – Office Lease

The Company signed an Office Lease Agreement (the “Agreement”) on April 24, 2008. The Agreement commences on June 1, 2008 and expires June 1, 2011. At December 31, 2008, minimum future lease payments to be paid annually under the three year non-cancellable operating lease for office space are as follows:

2009	$ 27,071
2010	27,570
2011	11,575
	$ 66,216

See notes to financial statements

Note 10 – OCAST Grant

The Oklahoma Center for the Advancement of Science and Technology approved the Company's application for funding of a matching grant titled 800 Million Voxels Volumetric Display, on November 19, 2008. The two-year matching grant, totaling $299,932, has a start date of January 1, 2009. The award is for a maximum of $149,940 for 2009 and the remainder for 2010. Funding beyond 2009 is contingent upon satisfactory performance evaluation and the availability of funds.

Note 11 – Income Taxes

At December 31, 2008 and 2007, the Company had accumulated net operating losses of approximately $9,335,000 and $6,650,000, respectively, available to reduce future federal and state taxable income. Unless utilized, the loss carryforward amounts will begin to expire in 2014.

Deferred tax assets resulting from the operating loss carryforward, are reduced by a valuation allowance.

The deferred tax asset consisted of the following:

	December 31, 2008	December 31, 2007
Loss carry forward amount	$ 9,335,000	$ 6,650,000
Effective tax rate	38%	38%
Deferred tax asset	3,547,300	2,527,000
Less valuation allowance	(3,547,000)	(2,527,000)
Net deferred taxes	$ -	$ -

Note 12 – Related Party Transaction

3DIcon has engaged the law firm of Newton, O'Connor, Turner & Ketchum as its outside corporate counsel since 2005. John O'Connor, a director of 3DIcon, is the Chairman of Newton, O'Connor, Turner & Ketchum. During the years ended December 31, 2008 and 2007, the Company incurred legal fees to Newton O'Connor, Turner & Ketchum in the amount of $135,440 and $174,103 respectively.

The Company has fee income of $25,000 with a company affiliated by common ownership.

See notes to financial statements

Note 13 – Subsequent Events

Debentures payable

In accordance with the terms of the Second Debenture an event of default occurs if the common stock of the Company trades at a price per share of $0.21 or lower. The trading price was at $0.21 or lower on several occasions during the period ended December 31, 2008. On each of the occasions Golden Gate, by separate letter agreements, agreed that the occasions did not constitute a default and thereby waived the default provision for the occasions.

Subsequent to December 31, 2008 Golden Gate converted $111,500 of the 9.75% convertible debenture into 4,855,767 shares of common stock at prices ranging from $0.018 to $0.029 per share, converted $980 of the 4.75% convertible debenture into 1,940,405 shares of common stock at $0.0002 per share and exercised 9,800 warrants at $10.90 per share for $106,820 under the terms of the securities purchase agreements.

Common stock and paid in capital

Concordia was issued 1,413,986 shares of common stock in payment of $31,500 for January and February services under the consulting agreement. Additionally common shares totaling 1,802,977 were issued to vendors in payment of $25,275 for services.

President’s resignation and interim President appointed

On February 3, 2009, Vivek Bhaman resigned as President, Chief Operating Officer and Treasurer of 3DIcon Corporation effective March 3, 2009. Mr. Bhaman was due an aggregate of $41,667 compensation for January and February 2009 under the terms of the April 29, 2007 Employment Agreement. Additionally he is due $41,667 under the terms of the October 12, 2008 Amended Employment Agreement which increased his annual compensation to $300,000 from $250,000. Under the terms of the contract, the Company elected to defer the $50,000 increase until April 30, 2009 and pay the increased compensation in registered common stock discounted at 25% to the market price. Mr. Bhaman was issued 1,851,852 registered common shares at $0.0225 per share for the $41,667 deferred compensation. The Company has been unable to pay Mr. Bhaman for the remaining $41,667 compensation under his original Employment Contract. Additionally under the terms of the employment agreements, Mr. Bhaman has vested 1,425,000 options to purchase shares at common stock of the Company at prices ranging from $0.055 to $1.00 per share that expire at various dates through October 12, 2018. In connection with his resignation, the Company agreed to waiver certain provisions of Mr. Bhaman's employment agreement which prevented him from continuing to serve as a Director of the Company following the termination of his employment. Accordingly, Mr. Bhaman continued to serve as a Director of the Company.

On February 9, 2009, the Board of Directors of the Company appointed James N. Welsh to serve as the Company’s Interim Chief Operating Officer and Treasurer. His appointment was effective as of March 1, 2009.

See notes to financial statements

Note 13 – Subsequent Events (continued)

Incentive stock plan amended

The Company's Incentive Stock Plan was amended in February 2009 to increase the number of shares available to be issued upon exercise of outstanding options and warrants. Originally eight million shares were included in the plan. The 2009 amendment increase the available shares by twenty-seven million shares. There are currently 30,191,027 shares available under the plan.

See notes to financial statements

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements on Form S-8 (No. 333-157773 and 333-145234) of 3DIcon Corporation of our report dated April 15, 2009 relating to our audits of the financial statements, which appear in this Annual Report on Form 10-K for the year ended December 31, 2008. Our report dated April 15, 2009, includes an emphasis paragraph relating to uncertainty as to the Company's ability to continue as a going concern.

/s/ HOGANTAYLOR LLP

Tulsa, Oklahoma
April 15, 2009

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Martin Keating, certify that:

1. I have reviewed this annual report on Form 10-K of 3DIcon Corporation;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Dated: April 15, 2009

By: */s/ Martin Keating*
Martin Keating

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of 3DIcon Corporation (the "Company") on Form 10-K for the period ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin Keating, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: April 15, 2009

By: */s/ Martin Keating*
Martin Keating
Chief Executive Officer