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

Form 10-Q

(Mark One)

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2009

OR

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 333-143761

3DICON CORPORATION
(Exact Name of small business issuer as specified 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, Oklahoma 74136
(Address of principal executive offices) (Zip Code)

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

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 mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No 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 definition of "*large accelerated filer*", "*accelerated filer*" and "*smaller reporting company*" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o (do not check if smaller reporting company)	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

As of August 13, 2009, the issuer had 239,388,115 outstanding shares of Common Stock.

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PART I

ITEM 1. FINANCIAL STATEMENTS.

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3DIcon CORPORATION
(A Development Stage Company)
BALANCE SHEETS
June 30, 2009 and December 31, 2008

	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Assets		
Current assets:		
Cash	$ 98,550	$ 48,400
Prepaid expenses	32,913	16,113
Total current assets	131,463	64,513
Net property and equipment	27,566	31,537
Debt issue costs, net	36,842	56,978
Deposits-other	17,315	17,315
Total assets	$ 213,186	$ 170,343
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Current maturities of convertible debentures payable, net of unamortized discount of $13,504	172,699	364,000
Warrant exercise advances	36,030	140,500
Accounts payable	988,003	1,135,887
Accrued salaries	115,122	59,615
Accrued interest on debentures	37,049	6,808
Total current liabilities	1,348,903	1,706,810
Convertible debentures payable, less current maturities	673,319	675,279
Total liabilities	2,022,222	2,382,089
Stockholders' equity:		
Common stock $.0002 par 250,000,000 shares authorized;		
217,842,130 and 157,515,776 shares issued and outstanding as of June 30, 2009 and December 31, 2008, respectively	43,568	31,503
Paid for but not issued 14,705,882 shares	2,941	
Additional paid in capital	9,964,058	8,766,830
Deficit accumulated during development stage	(11,819,603)	(11,010,079)
Total stockholders’ deficiency	(1,809,036)	(2,211,746)
Total liabilities and stockholders’ deficiency	$ 213,186	$ 170,343

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF OPERATIONS

Three and Six Months Ended June 30, 2009 and 2008 and period From Inception (January 1, 2001) to June 30, 2009 (Unaudited)

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008	Inception to June 30, 2009
Income:					
License fee	$ -	$ -	$ -	$ -	$ 25,000
Sales	6,500	10,900	6,500	10,900	24,400
Grant income	18,975	-	18,975	-	18,975
Total income	25,475	10,900	25,475	10,900	68,375
Expenses:					
Research and development	13,978	276,679	60,473	576,679	2,524,234
General and administrative	297,448	611,712	733,089	1,529,541	9,080,916
Interest	20,835	31,509	41,437	64,375	282,828
Total expenses	332,261	919,900	834,999	2,170,595	11,887,978
Net loss	$ (306,786)	$ (909,000)	$ (809,524)	$ (2,159,695)	$ (11,819,603)
Loss per share:					
Basic and diluted	$ (0.002)	$ (0.007)	$ (0.005)	$ (0.016)	
Weighted average shares outstanding , Basic and diluted	193,820,151	139,790,269	178,711,726	138,231,734	

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY

From inception (January 1, 2001) to June 30, 2009
(Unaudited)

	Common Stock Shares	Common Stock 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

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY

From inception (January 1, 2001) to June 30, 2009
(Unaudited)

	Common Shares	Stock Par Value	Additional Paid-In Capital	Deficit Accumulated During the Development State	Total
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)
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
Options issued for services	-	-	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)

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY

From inception (January 1, 2001) to June 30, 2009
(Unaudited)

	Common Shares	Stock Par Value	Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total
Stock issued for cash	515,677	$ 103	$ 24,897	$ -	$ 25,000
Warrants exercised	1,347,261	269	362,425	-	362,694
Options issued and accrued	-	-	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)	-	-
Stock 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)
				-	
Stock issued for cash	999,999	200	29,800	-	30,000
Warrants exercised	19,800	4	215,816	-	215,820
Debentures converted	32,773,186	6,555	274,375	-	280,930
Stock and warrants issued for accounts payable	4,264,706	853	302,652	-	303,505
Stock issued for services	22,268,673	4,453	277,526		281,979
Stock paid for but not issued	14,705,882	2,941	97,059	-	100,000
Net loss for the period	-	-	-	(809,524)	(809,524)
Balance June 30, 2009	232,548,012	$ 46,509	$ 9,964,058	$ (11,819,603)	$ (1,809,036)

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF CASH FLOWS
Six Months Ended June 30, 2009 and 2008 and period
From Inception (January 1, 2001) to June 30, 2009
(Unaudited)

	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008	Inception to June 30, 2009
Cash Flows From Operating Activities			
Net loss	$ (809,524)	$ (2,159,695)	$ (11,819,603)
Adjustments to reconcile net loss to net cash used in operating activities:			
Options issued for services	-	459,133	1,928,865
Stock issued for services	281,979	164,250	1,393,529
Stock issued for interest	-	-	38,351
Depreciation	3,971	2,486	11,715
Amortization of deferred debt issue costs	20,136	20,135	119,618
Asset impairments	-	-	292,202
Change in:			
Accounts receivable	-	(5,965)	-
Prepaid expenses and other assets	(16,800)	(19,711)	(283,628)
Accounts payable and accrued liabilities	328,567	346,098	1,559,875
Net cash used in operating activities	(191,671)	(1,193,269)	(6,759,076)
Cash Flows From Investing Activities:			
Purchase of office furniture and equipment	-	(19,599)	(39,281)
Class Flows from Financing Activities:			
Proceeds from stock and warrant sales and exercise of warrants	241,821	134,245	2,988,184
Proceeds from issuance of debentures	-	746,214	3,9008,713
Net cash provided by financing activities	241,821	880,459	6,896,897
Net increase (decrease) in cash	50,150	(332,409)	98,540
Cash, beginning of period	48,400	705,519	10
Cash, end of period	$ 98,550	$ 373,110	$ 98,550
Supplemental disclosures			
Non-Cash Investing and Financing Activities			
Conversion of debentures to common stock	$ 474,930	$ 458,054	$ 3,260,866
Cash paid for interest	$ 15,433	$ 64,375	$ 247,759
Stock issued in satisfaction of payables	$ 303,505	$ -	$ -

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS

Six Months Ended June 30, 2009 and 2008 and period
From Inception (January 1, 2001) to June 30, 2009
(Unaudited)

Note 1 – Uncertainties and Use of Estimates

Basis of Presentation

The accompanying financial statements of 3DIcon Corporation (the “Company”) have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures made are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the Company's year end audited financial statements and related footnotes included in the previously filed 10-K. In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the financial position of the Company as of June 30, 2009, and the statements of its operations for the three and six months ended June 30, 2009, 2008 and the period from inception (January 1, 2001) to June 30, 2009, and cash flows for the six-month periods ended June 30, 2009 and 2008, and the period from inception (January 1, 2001) to June 30, 2009, have been included. The results of operations for interim periods may not be indicative of the results which may be realized for the full year.

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.

Revenue Recognition

Revenues from software license fees are accounted for in accordance with American Institute of Certified Public Accountants (AICPA) Statement of Position (SOP) 97-2, “Software Revenue Recognition”. The Company recognizes revenue when (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the sales price is fixed or determinable; and (iv) collectability is reasonably assured.

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 3). A revised payment schedule was agreed to in October 2008 and March 20, 2009. Failure of the Company to meet its revised payment obligations could result in the termination of the SRA and any outstanding license agreements under the SRA. The Company has realized a cumulative net loss of $ 11,819,603 for the period from inception (January 1, 2001) to June 30, 2009, and a net loss of $809,524 and $2,159,695 for the six months ended June 30, 2009 and 2008, respectively.

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 $98,550, grants and investor funding. Under the terms of the Golden State Equity Investors, Inc. ("Golden State") debentures, Golden State 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 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 ten 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 State from converting on the 4.75% Debenture or exercising warrants if such conversion or exercise would cause Golden State's holdings to exceed 9.99% of the Company's issued and outstanding common stock. Subject to the Beneficial Ownership Limitations, Golden State 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 June 30, 2009 and ignoring the impact of the Beneficial Ownership Limitations, we may receive up to $693,650, in funding from Golden State as a result of warrant exercises subsequent to June 30, 2009.

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 $299,932. The award is for a maximum of $149,940 for calendar year 2009 with the remainder for calendar year 2010. Funding of the grant is contingent upon the Company providing matching funds for the first year's research and submission of all required documentation to OCAST.

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

Note 2 – Recent Accounting Pronouncements

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

In April 2009, the Financial Accounting Standards Board (FASB) issued Staff Position (FSP) FAS No. 107-1 and APB 28-1, *Interim Disclosures about Fair Value of Financial Instruments* (FSP FAS 107-1 and APB 28-1), which amends Statement of Financial Accounting Standards (SFAS) No. 107, *Disclosures about Fair Value of Financial Instruments*, to require disclosures about the fair value of financial instruments for interim reporting periods, as well as annual reporting periods. FSP-FAS 107-1 and APB 28- are effective this quarter and shall be applied prospectively. The adoption of FSP FAS 107-1 and APB 28-1 did not have a significant impact on our financial statements.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" ("SFAS 165"). SFAS 165 is intended to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. SFAS 165 is effective for interim or annual financial periods ending after June 15, 2009. The adoption of SFAS No. 165 do not have any affect on our financial statements.

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. The implementation of this FSP did not have a material impact on our financial position, results of operations and cash flows.

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 was 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 did 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 Principles.* The adoption of this statement did not have a material effect on the Company's financial statements.

Note 3 – 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 and on March 20, 2009, the University 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 2008 of $861,131. The $1,804,687 balance of the remaining SRA 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 July 31, 2009 to February 28, 2010 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 of $10,000 per month. For the remaining balance of $290,000, the University 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 periods ended June 30, 2009 and 2008, the Company charged operations $60,473 and $576,679, respectively, pursuant to the SRA. At June 30, 2009, the Company owed the University $18,448 for the May and June 2009 monthly payments and $595,481on the arrearages under the revised payment terms.

Note 4 – Debentures Payable

Debentures payable consist of the following:

	June 30, 2009	December 31, 2008
Senior Convertible Debentures:		
9.75% Debenture due July 31, 2009	$ 85,500	$ 364,000
6.25% Debenture due 2009	-	-
6.25% Debenture due 2010	578,601	578,601
4.75% Debentures due 2011	94,718	96,678
10.0% Debenture due September 30, 2009	100,703	-
Less unamortized discount	(13,504)	
Total Debentures	846,018	1,039,279
Less Current Maturities	(172,699)	(364,000)
Long-term Debentures	$ 673,319	$ 675,279

Golden State Investors, Inc. - Securities Purchase Agreement

6.25% Convertible Debenture due 2009

The Company entered into a Securities Purchase Agreement ("Purchase Agreement") with Golden State 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 State 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 State 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.

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 State with written notice that it desired to require Golden State 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 State (the “Second Debenture”). Pursuant to the terms of the Second Debenture, Golden State 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 State’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 State advanced $125,000 on the second $1.25 million debenture on November 9, 2007. Additionally, Golden State 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 State has funded an aggregate of $871,213 on the Second Debenture. Golden State 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. There was no debenture conversions during the six-month period ended June 30, 2009. Shares remaining in escrow and reported as outstanding at June 30, 2009 total 4,310,449.

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 State shall have the right to immediately sell the pledged shares in satisfaction of any amounts of principal and interest owing under the Second Debenture.

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 trading price was at $0.21 or lower on several occasions during 2009 and 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 those occasions only.

4.75% Convertible Debenture due 2011

On November 3, 2006, the Company also issued to Golden State 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 State 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 State 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 2009, Golden State converted $1,980 of the $100,000 debenture into 12,658,049 shares of common stock at $0.002 per share, exercised warrants to purchase 19,800 shares of common stock at $10.90 per share and the Company received $215,820 from the exercise. During 2009 and 2008 Golden State advanced $90,000 and $200,000 respectively against future exercises of warrants of which $253,970 was applied leaving a balance of $36,030, of unapplied advances at June 30, 2009.

9.75% Convertible due July 31, 2009

To obtain funding for ongoing operations, the Company entered into a Bridge Financing Agreement with Golden State 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 State November 3, 2006. The Company received gross proceeds of $700,000 from the sale of the aforementioned debenture. At various dates during 2009, $278,500 of the debenture was converted into 20,115,137 shares of common stock at prices ranging from $0.01 to $0.03 per common share based on the formula in the convertible 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. At various dates during 2009, $278,500 of the debenture was converted into 20,115,137 shares of common stock at prices ranging from $0.009 to $0.029 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 (see Subsequent Events).

Newton, O’Connor, Turner & Ketchum:

On May 22, 2009, the Company issued to Newton, O’Connor, Turner & Ketchum, a professional corporation (“NOTK”) and the legal counsel to the Company, a 10% convertible debenture in a principal amount of $100,703, due September 30, 2009, and warrants to purchase 4,378,394 shares of the common stock at an exercise price of $0.09 per share through September 30, 2010 and an exercise price of $0.18 per share through September 30, 2014. The Company was indebted to NOTK for legal services performed for the Company and reimbursement of expenses in rendition of those services for the period ended December 31, 2008. The debenture and the warrants were issued in settlement of the indebtedness. The debentures and warrants were recorded at their pro rata fair values in relation to the proceeds received. The warrants were valued at $13,504. The difference between the pro rata fair value and face value of the debenture is being amortized over the life of the debenture.

The estimated fair value of the warrants 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 160.73% 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 2.23% 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.

Note 5 – Common Stock and Paid-In Capital

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 on 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 1, 2009 through August 31, 2010 to one accredited individual. The Company received $25,000 in cash from the sale. The warrants terminate on August 31, 2010.

Pursuant to a Subscription Agreement dated March 20, 2009, the Company sold 999,999 shares of the Company’s common stock at a per share price of $.03 per share and warrants to purchase 500,000 shares of its common stock at a price of $.10 per share from closing for a period of twelve months or $.15 per share for the second subsequent twelve months to three accredited individuals. The Company received $30,000 in cash from the sale. The warrants terminate on March 25, 2011.

On June 18, 2009, the Company entered into a subscription agreement with one of its directors, Victor Keen, pursuant to which Mr. Keen advanced $100,000 to purchase 14,705,882 shares of the Company’s common stock at a per share price equal to 50% of the average of the closing price during the five (5) days prior to June 15, 2009 ($0.0068 per share). The shares are to be issued by September 1, 2009.

As of June 30, 2009, 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, 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 30, 2009 through August 31, 2010, warrants outstanding to purchase 500,001 shares of common stock at a price of $.10 per share through March 25, 2010 or $.15 per share that expire on March 25, 2011 and warrants to purchase 4,378,394 shares of common stock at a price of $0.09 per share through September 30, 2010 and $0.18 per share that expire on September 30, 2014. Additionally, Golden State has warrants outstanding to purchase 946,983 shares of common stock at a price of $10.90 per share which expire November 2, 2011.

Common stock and options issued for services

During the six months ended June 30, 2009 shares of common stock totaling 22,268,673 were issued for invoiced legal and invoiced consulting services for which the Company recognized $281,979 of expense. During the six months ended June 30, 2008 shares of common stock totaling 1,162,281 were issued for invoiced legal and invoiced consulting services for which the Company recognized $164,250 of expense. Additionally under the SRA revised payment terms The University of Oklahoma was issued 4,264,706 shares in payment of indebtedness from services performed under the SRA agreement on June 30, 2009.

On June 6, 2009 Victor Keen, a director of the Company was issued 4,000,000 restricted shares of common stock to recognize Mr. Keen's participation providing certain advisory and consultative services to the Company which are beyond his required duties as a member of the Company's Board of Directors. The restricted shares value $33,600 was determined by using 50% of the June 6, 2009 trading price of $0.016 which results in a calculated value of $0.0084 per share.

Options granted

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.

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 continued 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 automatically extended 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:

- 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 June 30, 2009 under the original and amended employment agreements.

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.

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 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 continued to serve as a Director of the Company.

On April 29, 2009 the Company and Mr. Bhaman signed a Separation Agreement And Release (the "Agreement") whereby the Company agreed to settle the $41,667 compensation due by paying Mr. Bhaman an aggregate of one hundred thousand dollars ($100,000) (the "Settlement"), 75% of which shall be payable in the form of a "Stock Payout" and 25% of which shall be payable in "Cash Consideration". Under the Stock Payout Mr. Bhaman shall receive the aggregate sum of $4,000 per week payable in registered shares of the Company's common stock calculated at a 50% discount to the average closing price for the five days prior to the weekly issuance. Under the Cash Consideration Mr. Bhaman shall receive the greater of $500 or 25% of any amounts paid to the remaining three full time employees and amount owed for 2008 legal service to Newton, O'Connor, Turner & Ketchum, P.C. Any unpaid amounts will bear interest at 8% or at the option of Mr. Bhaman, be payable in registered shares of the Company's common stock calculated at a 50% discount to the average closing price for the five days prior, provided, however, that the amount of shares issued in any one week, shall not exceed 450,000 shares. During the six months ended June 30, 2009 the Company issued 4,562,305 shares of common stock to Mr. Bhaman in payment of $61,667 under the terms of the Agreement.

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. On May 5, 2009, Mr. Bhaman resigned as a Director of the Company.

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

    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 six months ended June 30, 2009.

	Attached Warrants	Golden State Warrants	Options
Outstanding December 31, 2008	852,321	966,783	20,111,540
Granted	4,878,395	-	-
Exercised	-	(19,800)	-
Cancelled	-	-	(6,575,000)
Outstanding June 30, 2009	5,730,716	946,983	13,536,540

Note 6 – 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 June 30, 2009, minimum future lease payments to be paid annually under the three year non-cancellable operating lease for office space are as follows:

2009	$ 13,640
2010	27,570
2011	11,573
	$ 52,783

Note 7 – Related Party Transaction

3DIcon 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.

Martin Keating, the Chairman and major shareholder, has advanced the company $25,642 and is owed an additional $14,184 in unreimbursed business expenses at June 30, 2009. Currently there are no specific terms for repayment.

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 an aggregate of fifteen million shares.

The Company's Incentive Stock Plan was amended in February 2009 to increase the number of shares available to thirty-five million (35,000,000). Shares totaling 14,956,713 and 1,162,281 were issued from the Plan during the six months ended June 30, 2009 and 2008, for services rendered to the Company. There are currently 8,127,329 shares available for issuance under the plan.

Note 9 – OCAST Grant

The Oklahoma Center for the Advancement of Science and Technology (OCAST) 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 the Company obtaining matching funds, satisfactory performance evaluation and the availability of funds. The Company has received $18,975 in matching funds from the grant for the six-month period ended June 30, 2009.

Note 10 – 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 subsequent to June 30, 2009. 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 June 30, 2009 Golden State converted the remaining balance of $85,500 of the 9.75% convertible debenture into 9,588,373 shares of common stock at prices ranging from $0.008 to $0.009 per share, converted $230 of the 4.75% convertible debenture into 2,556,357 shares of common stock at $0.0002 per share and exercised 2,300 warrants at $10.90 per share for $25,070 under the terms of the Securities Purchase Agreements.

Common stock and paid- in capital

Vivek Bhaman, the former president of the Company, was issued 2,388,470 shares of common stock valued at $16,000 as payment under the term of the separation agreement. Additionally, common shares totaling 2,000,000 were issued to vendors in payment of $13,400 for services.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Forward-Looking Statements

The information in this report contains forward-looking statements. All statements other than statements of historical fact made in this report are forward looking. In particular, the statements herein regarding industry prospects and future results of operations or financial position are forward-looking statements. These forward-looking statements can be identified by the use of words such as “believes,” “estimates,” “could,” “possibly,” “probably,” anticipates,” “projects,” “expects,” “may,” “will,” or “should” or other variations or similar words. No assurances can be given that the future results anticipated by the forward-looking statements will be achieved. 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 our 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 the technological approach for volumetric display which has been developed into a proof-of-concept system.

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.

We have also released a software product called Pixel Precision™. The current version of the software is 2.0. 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 is being marketed in the United States as well as in Europe and Asia.

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 totals $299,932. The award is for a maximum of $149,940 for the calendar year 2009 and the remainder for the calendar year 2010. Funding beyond 2009 is contingent upon satisfactory performance evaluation and the availability of funds.

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)

The Company has also filed its own provisional patent for a new display screen which it believes has significant advantages and market potential.

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 for 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

Support Pixel Precision™ for the Discovery 4000 series (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 THREE MONTHS ENDED JUNE 30, 2009 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2008

Revenue

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

We had $6,500 of earned income from the sales of PixelPrecision™ for the six months ended June 30, 2009 compared to $10,900 for the six months ended June 30, 2008. 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 and Administrative, R&D, Interest Payments) but do not expect the revenue generated in 2009 to cover the operating expenses. Additionally we received the initial revenue from the OCAST grant of $18,975 for the second quarter of 2009.

Research and Development Expenses

The research and development expenses were $13,978 for the three months ended June 30, 2009 as compared to $276,679 for the three months ended June 30, 2008. The decrease was a result of the SRA being converted to a cost reimbursable basis effective September 1, 2008 under the terms of the revised SRA agreement that was signed October 31, 2008. Additionally on October 1, 2008 we employed Dr. Hakki Refai as Chief Technology Officer who previously was the lead investigator on the SRA with OU. Dr. Refai's salary and benefits are included in general and administrative expenses for 2009.

General and Administrative Expenses

Our general and administrative expenses were $297,448 for the three months ended June 30, 2009 as compared to $611,712 for the three months ended June 30, 2008. The decrease was mainly due to the termination of consultant contracts in February 2009 ($6,000), $300,000 of director's and $58,397 of consultant's options issued in 2008, and a reduction in travel and lodging of approximately $9,000 in 2009.

Interest Expense

Interest expense for the three months ended June 30, 2009 was $20,835 as compared to $31,509 for the three months ended June 30, 2008. The decrease in interest expense resulted from decreases in the amounts outstanding on our convertible debentures during the periods.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2009 COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2008

Revenue

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

We had $6,500 of earned income from the sales of PixelPrecision™ for the second quarter of 2009 compared to $10,900 for the second quarter of 2008. 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 and Administrative, R&D, Interest Payments) but do not expect the revenue generated in 2009 to cover the operating expenses. Additionally we received the initial revenue from the OCAST grant of $18,975 for the second quarter of 2009

Research and Development Expenses

The research and development expenses were $60,473 for the six months ended June 30, 2009 as compared to $576,679 for the six months ended June 30, 2008. The decrease was a result of the SRA being converted to a cost reimbursable basis effective September 1, 2008 under the terms of the revised SRA agreement that was signed October 31, 2008. Additionally on October 1, 2008 we employed Dr. Hakki Refai as Chief Technology Officer who previously was the lead investigator on the SRA with OU. Dr. Refai’s salary and benefits are included in general and administrative expenses for 2009.

General and Administrative Expenses

Our general and administrative expenses were $733,089 for the six months ended June 30, 2009 as compared to $1,529,541 for the six months ended June 30, 2008. The decrease was mainly due to the termination of consultant contracts in February 2009 ($6,000), $300,000 of director’s and $58,397 of consultant’s options issued in 2008, and a reduction in travel and lodging of approximately $9,000 in 2009.

Interest Expense

Interest expense for the six months ended June 30, 2009 was $41,437 as compared to $64,375 for the six months ended June 30, 2008. The decrease in interest expense resulted from decreases 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 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 $98,550 at June 30, 2009.
We had negative working capital of $1,217,440 at June 30, 2009.

During the six months ended June 30, 2009, we used $191,671 of cash for operating activities, a decrease of $1,001,598 or 83.9% compared to the six months ended June 30, 2008. The decrease in the use of cash for operating activities was a result of a decrease in the net loss for the period.

Cash used in investing activities during the six months ended June 30, 2009 was $ -0- , a decrease of $19,599 compared to the six months ended June 30, 2008. The decrease was a result of purchasing office furniture and equipment for the leased office space in 2008.

Cash provided by financing activities during the six months ended June 30, 2009 was $241,821, a decrease of $638,638 or 72.5% compared to the six months ended June 30, 2008. The decrease was the result of the decreased debenture funding in 2009.

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 Golden State Equity Investors, Inc. ("Golden State") financing as well as reducing our monthly expenses.

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 six months ended June 30, 2009. 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.

During the six months ended June 30, 2009 Golden State converted $278,500 of the 9.75% convertible debenture into 20,115,137 shares of common stock at prices ranging from $0.009 to $0.029 per share, converted $1,980 of the 4.75% convertible debenture into 12,658,049 shares of common stock at $0.0002 per share and exercised 19,800 warrants at $10.90 per share for $215,820 under the terms of the securities purchase agreements.

Common stock and paid in capital

Concordia was issued 7,920,215, shares of common stock in payment of $94,500 for services under the consulting agreement. Common shares totaling 10,348,458 were issued to vendors in payment of $153,880 for services.

Pursuant to a Subscription Agreement dated March 20, 2009, the Company sold 999,999 shares of the Company's common stock at a per share price of $.03 per share and warrants to purchase 500,000 shares of its common stock at a price of $.10 per share from closing for a period of twelve months or $.15 per share for the second subsequent twelve months to three accredited individual. The Company received $30,000 in cash from the sale. The warrants terminate on March 25, 2011.

On June 18, 2009, the Company entered into a subscription agreement with one of its directors, Victor Keen, pursuant to which Mr. Keen advanced $100,000 to purchase 14,705,882 shares of the Company's common stock at a per shares price equal to 50% of the average of the closing price during the five (5) days prior to June 15, 2009 ($0.0068 per share). The shares are to be issued by September 1, 2009.

On June 6, 2009 Victor Keen, a director of the Company was issued 4,000,000 restricted shares of common stock to recognize Mr. Keen's participation providing certain advisory and consultative services to the Company which are beyond his required duties as a member of the Company's Board of Directors. The restricted shares value $33,600 was determine by using 50% of the June 6, 2009 trading price of $0.016 which results in a calculated value of $0.0084 per share.

Newton, O'Connor, Turner & Ketchum convertible debenture with warrants attached:

On May 22, 2009, the Company issued to Newton, O'Connor, Turner & Ketchum, a professional corporation ("NOTK") and the legal counsel to the Company, a 10% convertible debenture in a principal amount of $100,703, due September 30, 2009, and warrants to purchase 4,378,394 shares of the common stock at an exercise price of $0.09 per share through September 30, 2010 and an exercise price of $0.18 per share through September 30, 2014. The Company was indebted to NOTK for legal services performed for the Company and reimbursement of expenses in rendition of those services for the period ended December 31, 2008. The debenture and the warrants were issued in settlement of the indebtedness. The debentures and warrants were recorded at their pro rata fair values in relation to the proceeds received. The warrants were valued at $13,504. The difference between the pro rata fair value and face value of the debenture is being amortized over the life of the debenture.

The estimated fair value of the warrants 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 160.73% 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 2.23% 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

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.

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 $98,550, grants and investor funding. Under the terms of the Golden State debentures, Golden State may advance an additional $378,787. However, the additional funding would only 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 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. 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 State from converting on the 4.75% Debenture or exercising warrants if such conversion or exercise would cause Golden State's holdings to exceed 9.99% of the Company's issued and outstanding common stock. Subject to the Beneficial Ownership Limitations, Golden State is required to convert $3,000 of the 4.75% Convertible Debenture and exercise 30,000 warrants per month. During the six months ended June 30, 2009, we received an aggregate of $90,000 from Golden State from such warrant exercises. Based upon our current stock price, and ignoring the impact of the Beneficial Ownership Limitations, we may receive up to $693,650 in funding from Golden State though the remaining 6 months of 2009 as a result of warrant exercises.

On November 19, 2008, we received a research grant from OCAST titled the 800 Million Voxels Volumetric Display. The two-year matching grant totals $299,932. The award is for a maximum of $149,940 for the calendar year 2009 and the remainder for calendar year 2010. Funding of the 2009 amount is contingent upon the Company providing matching funds for the first year's research and submission of all required documentation to OCAST. Funding beyond 2009 is contingent upon satisfactory performance evaluation and the availability of funds. The OCAST matching grant titled 800 Million Voxels Volumetric funded $18,975 during the six months ended June 30, 2009 under the terms of the grant.

During the fourth quarter of 2008 and the first quarter of 2009, the Company had been unable to meets its 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 payments 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 and on March 20, 2009 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 2008 of $861,131. The $1,804,687 balance of the remaining SRA 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 July 31, 2009 to February 28, 2010 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 of $10,000 per month. For the remaining balance of $290,000, 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 payment of the $290,000 due June 30, 2009 under the revised SRA payment schedule, The University of Oklahoma accepted 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.

Should the Company fail to timely pay any of the amounts owed above, OU may immediately and without notice or opportunity to cure, may terminate any or all existing agreements between the parties, including but not limited to, the Exclusive License Agreement, the Facilities/Resources Use Agreement, and the 2009 SRAs. Termination of the license agreement with OU shall forfeit the Company's rights to any or all intellectual property licensed to it under the terminated license.

During the periods ended June 30, 2009 and 2008, the Company charged operations $60,473 and $576,679, respectively, pursuant to the SRA. At June 30, 2009, the Company owed the University $18,448 for the May and June 2009 monthly payments and $595,481 on the arrearages under the revised payment terms.

In addition, management has reduced operating expenses further through temporary salary cuts, partial payments to consultants using stock and reduction in daily expenses. We anticipate that this, along with other measures, will reduce our current cash flow burn rate from $267,000 per month to an estimated amount of $120,000 to $150,000 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, 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 subsequent to June 30, 2009. 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 June 30, 2009 Golden State converted the remaining balance of $85,500 of the 9.75% convertible debenture into 9,588,373 shares of common stock at prices ranging from $0.008 to $0.009 per share, converted $230 of the 4.75% convertible debenture into 2,556,357 shares of common stock at $0.0002 per share and exercised 2,300 warrants at $10.90 per share for $25,070 under the terms of the Securities Purchase Agreements.

Common stock and paid- in capital

Vivek Bhaman, the former president of the Company, was issued 2,388,470 shares of common stock valued at $16,000 as payment under the term of the separation agreement. Additionally, common shares totaling 2,000,000 were issued to vendors in payment of $13,400 for services.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

N/A

ITEM 4T. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, 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 Chief Executive Officer and Chief Financial Officer 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.

Changes in Internal Control Over Financial Reporting. During the most recent quarter ended June 30, 2009, 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.

PART II

ITEM 1. 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 1A. RISK FACTORS.

N/A

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Pursuant to a Subscription Agreement dated April 21, 2009, the Company sold 333,333 shares of the Company's common stock at a per share price of $.03 per share and warrants to purchase 166,667 shares of its common stock at a price of $.10 per share from closing for a period of twelve months or $.15 per share for the second subsequent twelve months to one accredited individual. The Company received $10,000 in cash from the sale. The warrants terminate on March 25, 2011.

On June 6, 2009 Victor Keen, a director of the Company was issued 4,000,000 restricted shares of common stock to recognize Mr. Keen's participation providing certain advisory and consultative services to the Company which are beyond his required duties as a member of the Company's Board of Directors. The restricted shares value $33,600 was determine by using 50% of the June 6, 2009 trading price of $0.016 which results in a calculated value of $0.0084 per share.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

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

None

ITEM 5. OTHER INFORMATION.

None

ITEM 6. EXHIBITS.

Exhibit Number	Description of Exhibit
31.1	Certifications required by Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Executive Officer and Principal Accounting Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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

3DICON CORPORATION

/s/ Martin Keating

August 14, 2009

Martin Keating
Chief Executive Officer, Acting Chief Financial Officer and Director (Principal Executive Officer, Principal Accounting Officer and Principal Financial Officer)

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 quarterly report on Form 10-Q of 3DIcon Corporation.

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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 quarterly 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. I have disclosed, based on my most recent evaluation of internal control over financial reporting, 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 and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial data; 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: August 14, 2009

By: /s/ Martin Keating
Martin Keating
Chief Executive Officer and Acting Chief Financial Officer

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 Quarterly Report of 3DIcon Corporation (the "Company") on Form 10-Q for the quarter ended June 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin Keating, Chief Executive Officer and Chief Financial 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.

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: August 14, 2009

By: /s/ Martin Keating
Martin Keating
Chief Executive Officer and Acting Chief Financial Officer