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 September 30, 2011

OR

¨ 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 (State or other jurisdiction of incorporation or organization)	73-1479206 (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 ¨

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 ¨

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 ¨	Accelerated filer ¨	Non-accelerated filer ¨ (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 ¨ No x

As of November 7, 2011, the issuer had 1,189,361,632 outstanding shares of Common Stock.

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PART I

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3DIcon CORPORATION
(A Development Stage Company)
BALANCE SHEETS
September 30, 2011 and December 31, 2010

		September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Assets			
Current assets:			
Cash	$	252,587	367,101
Prepaid expenses		55,068	21,771
Accounts receivable		40,453	7,092
Total current assets		348,108	395,964
Net property and equipment		11,415	15,709
Deposits-other		2,315	2,315
Total Assets	$	361,838	413,988
Liabilities and Stockholders' Deficiency			
Current liabilities:			
Current maturities of convertible debentures payable	$	164,804	403,445
Warrant exercise advances		164,782	-
Accounts payable		239,365	203,590
Accrued salaries		7,679	501,362
Accrued interest on debentures		2,314	41,174
Total current liabilities		578,944	1,149,571
Promissory notes, 5%, due 2013		-	400,878
Accrued interest due 2013		-	4,120
Long term debt			404,998
Total Liabilities		578,944	1,554,569
Common stock subject to put rights and call rights; 59,000,000 shares		485,649	485,649
Stockholders' deficiency:			
Common stock $.0002 par, 1,500,000,000 shares authorized; 1,117,510,046 and 757,539,307 shares issued and outstanding at September 30, 2011 and December 31, 2010, respectively		223,502	151,508
Additional paid-in capital		14,640,761	12,322,913
Deficit accumulated during development stage		(15,567,018)	(14,100,651)
Total Stockholders' Deficiency		(702,755)	(1,626,230)
Total Liabilities and Stockholders' Deficiency	$	361,838	413,988

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)
STATEMENTS OF OPERATIONS
Three and Nine Months Ended September 30, 2011 and 2010
and Period from Inception (January 1, 2001) to September 30, 2011
(Unaudited)

	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010	Inception to September 30, 2011
Income:					
License fee	$ -	$ -	$ -	$ 4,300	$ 25,000
Sales	-	-	3,000	-	40,797
Grant income	25,434	22,908	80,323	51,672	211,824
Total income	25,434	22,908	83,323	55,972	277,621
Expenses:					
Research and development	212,291	68,710	534,737	388,769	3,750,737
General and administrative	331,856	252,525	979,638	793,358	11,660,932
Interest	2,314	33,514	35,315	66,464	432,970
Total expenses	546,461	354,749	1,549,690	1,248,591	15,844,639
Net loss	$ (521,027)	$ (331,841)	$ (1,466,367))	$ (1,192,619)	$ (15,567,018)
Loss per share:					
Basic and diluted	$ (0.0004)	$ (0.0005)	$ (0.0010)	$ (0.0025)	
Weighted average shares outstanding, Basic and diluted	1,160,430,662	615,702,636	1,051,736,222	476,016,326	

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY
Period from Inception (January 1, 2001) to September 30, 2011
(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
Accrue compensation earned but unissued	-	-	-	(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
Accrue compensation earned but unissued	-	-	-	(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
Accrue compensation earned but unissued	-	-	-	(90,000)	(90,000)
Stock issued for services	15,347,000	15,347	-	-	15,347
Stock issued for cash	1,380,000	1,380	33,620	-	35,000
Reverse split 1:10	(47,174,904)	-	-	-	-
Par value $0.0001 to $0.0002	-	(51,369)	51,369	-	-
Net loss for the year	-	-	-	(51,851)	(51,851)
Balance, December 31, 2003	5,241,656	1,048	808,840	(788,959)	20,929
Additional founders shares issued	25,000,000	5,000	(5,000)	-	-
Stock issued for services	24,036,000	4,807	71,682	-	76,489
Stock issued for cash	360,000	72	28,736	-	28,808
Warrants issued to purchase common stock at $.025	-	-	18,900	-	18,900
Warrants issued to purchase common stock at $.05	-	-	42,292	-	42,292
Stock warrants exercised	2,100,000	420	60,580	-	61,000
Net loss for the year	-	-	-	(617,875)	(617,875)
Balance, December 31, 2004	56,737,656	11,347	1,026,030	(1,406,834)	(369,457)
Stock issued for services	5,850,000	1,170	25,201	-	26,371
Stock issued to settle liabilities	5,000,000	1,000	99,000	-	100,000
Stock issued for cash	1,100,000	220	72,080	-	72,300
Warrants issued to purchase common stock at $.025	-	-	62,300	-	62,300
Warrants issued to purchase common stock at $.05	-	-	140,400	-	140,400
Stock warrants exercised	5,260,000	1,052	172,948	-	174,000
Net loss for the year	-	-	-	(592,811)	(592,811)
Balance, December 31, 2005	73,947,656	14,789	1,597,959	(1,999,645)	(386,897)
Stock issued for services	4,700,000	940	205,597	-	206,537
Debentures converted	3,000,000	600	149,400	-	150,000
Stock issued for cash	200,000	40	16,160	-	16,200
Warrants issued to purchase common stock	-	-	33,800	-	33,800
Warrants converted to purchase common stock	16,489,000	3,297	565,203	-	568,500
Net loss for the year	-	-	-	(1,469,888)	(1,469,888)

Balance, December 31, 2006	98,327,656	19,666	2,568,119	(3,469,533)	(881,748)
Stock issued for services	817,727	164	155,262	-	155,426
Stock issued for interest	767,026	153	38,198	-	38,351
Stock based compensation	-	-	1,274,666	-	1,274,666
Debentures converted	17,215,200	3,442	1,673,741	-	1,677,183
Stock issued for cash	1,188,960	238	191,898	-	192,136
Options exercised	222,707	45	(45)	-	-
Warrants issued to purchase common stock	-	-	87,864	-	87,864
Warrants converted to purchase common stock	8,585,956	1,717	462,203	-	463,920
Net loss for the year	-	-	-	(3,928,996)	(3,928,996)
Balance, December 31, 2007	127,125,232	25,425	6,451,906	(7,398,529)	(921,198)
Stock issued for cash	515,677	103	24,897	-	25,000
Warrants exercised	1,347,261	269	362,425	-	362,694
Stock based compensation	-	-	654,199	-	654,199
Debentures converted	15,257,163	3,052	962,257	-	965,309
Options exercised and escrowed shares	8,671,460	1,734	(1734)	-	-
Stocks issued for service	4,598,973	920	312,880	-	313,800
Net loss for the year	-	-	-	(3,611,550)	(3,611,550)
Balance, December 31, 2008	157,515,766	31,503	8,766,830	(11,010,079)	(2,211,746)
Stock issued for cash	20,607,841	4,122	197,878	-	202,000
Warrants exercised	35,100	7	382,583	-	382,590
Debentures converted	77,451,141	15,490	467,514	-	483,004
Stocks issued for service	68,506,130	13,701	524,653	-	538,354
Stock issued for accounts payable	11,264,706	2,253	321,409	-	323,662
Stock issued for interest	8,310,128	1,662	41,647	-	43,309
Warrants issued for accounts payable	-	-	13,505	-	13,505
Net loss for the year	-	-	-	(1,566,835)	(1,566,835)
Balance, December 31, 2009	343,690,812	68,738	10,716,019	(12,576,914)	(1,792,157)
Stock issued for cash	5,714,286	1,143	8,857	-	10,000
Warrants exercised	47,523	9	517,991	-	518,000
Debentures converted	255,650,977	51,130	228,061	-	279,191
Stock issued for services	97,684,416	19,538	213,348	-	232,886
Stock issued for liabilities	48,657,897	9,732	204,682	-	214,414
Stock issued for interest	6,093,396	1,218	15,843	-	17,061
Stock based compensation	-	-	418,112	-	418,112
Net loss for the year	-	-	-	(1,523,737)	(1523737)
Balance, December 31, 2010	757,539,307	151,508	12,322,913	(14,100,651)	(1,626,230)
Warrants and options exercised	12,295,315	2,459	606,140	-	608,599
Debentures converted	223,248,851	44,650	607,537	-	652,187
Stock issued for services	24,112,115	4,822	286,530	-	291,352
Stock issued for liabilities	97,530,393	19,506	536,521	-	556,027
Stock issued for interest	7,094,511	1,419	41,533	-	42,952
Escrowed shares cancelled	(4,310,446)	(862)	862	-	-
Stock based compensation	-	-	238,725	-	238,725
Net loss for the period	-	-	-	(1,466,367)	(1,466,367)
Balance, September 30, 2011	1,117,510,046	$ 223,502	$ 14,640,761	$(15,567,018)	$ (702,755)

See notes to financial statements

3Dicon CORPORATION
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
Nine Months ended September 30, 2011 and 2010
and Period from Inception (January 1, 2001) to September 30, 2011
(Unaudited)

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010	Inception to September 30, 2011
Cash Flows from Operating Activities			
Net loss	$ (1,466,367)	$ (1,192,619)	$ (15,567,018)
Adjustments to reconcile net loss to net cash used in operating activities:			
Options issued for services	238,725	355,613	2,585,703
Stock issued for services	291,352	150,835	2,174,142
Stock issued for interest	42,952	17,062	141,672
Book value of assets retired	668	-	6,529
Amortization of debt issuance costs	-	16,706	170,414
Depreciation	4,624	4,624	25,585
Impairment of assets	-	-	292,202
Change in:			
Prepaid expenses and other assets	(66,658)	(32,555)	(346,236)
Accounts payable and accrued liabilities	71,188	420,142	2,015,067
Net cash used in operating activities	(883,516)	(260,192)	(8,501,940)
Cash Flows from Investing Activities			
Purchase of office furniture and equipment	(998)	-	(43,529)
Net cash used in investing activities	(998)	-	(43,529)
Cash Flows from Financing Activities			
Proceeds from stock and warrant sales, exercise of warrants and warrant exercise advances	770,000	261,490	4,488,455
Proceeds from issuance of debentures and notes	-	-	4,309,591
Net cash provided by financing activities	770,000	261,490	8,798,046
Net increase (decrease) in cash	(114,514)	1,298	252,577
Cash, beginning of period	367,101	1,118	10
Cash, end of period	$ 252,587	$ 2,416	$ 252,587
Supplemental Disclosures			
Non-Cash Investing and Financing Activities			
Conversion of debentures to common stock (net)	$ 652,187	$ 684,927	$ 4,206,321
Cash paid for interest	$ 2,938	$ -	$ 294,172
Stock issued to satisfy payables	$ 556,027	$ -	$ 1,987,253
Debenture issued to satisfy payable	$ -	$ -	$ 125,909
Stock issued subject to put rights and call right to satisfy payables	$ -	$ -	$ 485,649

See notes to financial statements

3Dicon CORPORATION
(A Development Stage Company)

NOTES TO FINANCIAL STATEMENTS
(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 September 30, 2011, and the statements of its operations for the three and nine months ended September 30, 2011 and 2010, and the period from inception (January 1, 2001) to September 30, 2011, and cash flows for the nine month periods ended September 30, 2011 and 2010, and the period from inception (January 1, 2001) to September 30, 2011, 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.

Revenue Recognition

Revenues from software license fees are accounted for in accordance with Accounting Standards Codification ("ASC") 985-605, "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.

Grant revenue is recognized when earned.

Recent Accounting Pronouncements

Based on management's assessment no new accounting standards, if adopted, would have a material impact on the accompanying financial statements.

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.

The Company has realized a cumulative net loss of $15,567,018 for the period from inception (January 1, 2001) to September 30, 2011, and a net loss of $1,466,367 and $1,192,619 for the nine months ended September 30, 2011 and 2010, 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, grants and investor funding. Under the terms of the Golden State debentures, as further described in Note 4, 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 December 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% Convertible Debenture ("the Beneficial Ownership Limitations"). The Beneficial Ownership Limitations prevent Golden State from converting on the 4.75% Convertible 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 September 30, 2011 and ignoring the impact of the Beneficial Ownership Limitations, the Company may receive up to $981,000 in funding from Golden State as a result of warrant exercises during the remainder of the year ended December 31, 2011. During the nine months ended September 30, 2011, the Company received $753,382 in funding under the terms of the 4.75% Convertible Debenture (see Note 4).

The Company was approved for a matching grant from Oklahoma Center for the Advancement of Science and Technology ("OCAST") on November 19, 2008 in the amount of approximately $300,000. There remains $110,122 of grant funds to be provided through the end of the grant period, February 28, 2012. (see Note 3)

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

Note 2 – Sponsored Research Agreement ("SRA") Common Stock Subject to Put Rights and Call Right

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

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

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

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

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

On February 23, 2007, the Company entered into a SRA with the University ("Phase III") which expired on March 31, 2010. Under this agreement, the University conducted a research project entitled "3-Dimensional Display Development". The Company agreed to pay the University $3,468,595 in monthly installments ranging from $92,263 to $112,777 beginning on April 30, 2007 and ending on March 31, 2010.

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

On February 19, 2010, OU agreed to modify the repayment plan to retire the remaining arrearages outstanding of $525,481. Under the terms of the modified repayment plan the Company agreed to make payments to the University, not less than quarterly, in an amount equal to 22.5% of any funding received by the Company. The first quarterly payment was due to the University on April 30, 2010. These repayment terms were to remain in effect until the outstanding debt was retired.

On December 1, 2010, the Company entered into an agreement (the "Agreement") with OU pursuant to which OU agreed to convert all sums due to it from the Company in connection with its SRA with the Company, which as of December 1, 2010 amounted to approximately $485,000, into an aggregate of 59,000,000 shares ("OU 3DIcon Equity") of the Company's common stock (the "Shares"). As a result of the debt conversion, OU became the holder of approximately 8% of the common stock of the Company outstanding at December 1, 2010. Pursuant to the Agreement, the Shares are subject to a put option allowing OU to require the Company to purchase certain of the Shares upon the occurrence of certain events. In addition, the Shares are subject to a call option allowing the Company to require OU to sell to the Company the Shares then held by OU in accordance with the terms of the Agreement as follows:

OU Put Right - If, at any time during the one-year period beginning on the second anniversary of the Effective Date (the "OU Put 1 Period"), the sum of: (a) the value [stock price times number of shares] of the OU 3DIcon Equity held by OU at such time, plus (b) the proceeds (if any) of prior sales by OU of the OU 3DIcon Equity is less than $100,000, OU shall have the right to put (require 3DIcon or, at 3DIcon's option, another buyer, to redeem or purchase) one tenth (1/10) of the shares described herein for $50,000 plus 7% thereon annually from the Effective Date, less the amount (if any) of proceeds from the sale by OU of OU 3DIcon Equity (the "OU Put 1 Right"). If at any time during the one-year period beginning on the third anniversary of the Effective Date (the "OU Put 2 Period"), the sum of: (a) the value [stock price times number of shares] of the OU 3DIcon Equity held by OU at such time, plus (b) the proceeds (if any) of prior sales by OU of the OU 3DIcon Equity, including those put according to OU Put 1 Right and if such put occurred, is less than $970,000, OU shall have the right to put (require 3DIcon or, at 3DIcon's option, another buyer, to redeem) the shares for $485,000 plus 7% thereon annually from the Effective Date, less the amount (if any) of proceeds from the sale by OU of OU 3DIcon Equity (the "OU Put 2 Right"). The OU Put 2 right will be exercisable at any time during the OU Put 2 Period in which the trading price for 3DIcon stock has remained at or less than a trading price such that the sum of the amounts specified in clauses (a) and (b) above is exceeded by $970,000 less the proceeds of sales (if any) by OU of OU 3DIcon Equity for (i) ten consecutive trading days or (ii) twenty of thirty consecutive trading days. If OU puts the stock to 3DIcon as outlined above and OU does not receive the amount due within a 90-day period following a notification period, 3DIcon would be in default under any and all of the OU-3DIcon Agreements.

3DIcon Call Right - At any time during the one-year period following the third anniversary of the Effective Date, 3DIcon shall have the right to call (require OU to sell to 3DIcon) the OU 3DIcon Equity then held by OU for an amount equal to $970,000 less the amount (if any) of the proceeds of prior sales by OU of the OU 3DIcon Equity (the "3DIcon Call Right"). Provided, however, OU shall not be required to pay 3DIcon any amounts it receives as a result of prior sales of the 3DIcon Equity. In the event that 3DIcon elects to exercise the 3DIcon Call Right, 3DIcon will provide OU's Norman Campus Vice-President for Research, General Counsel, and Vice-President for Technology Development with a one hundred twenty day written notice of such intent. Any sales by OU of OU 3DIcon Equity shares during such one hundred twenty day period will not be subject to the 3DIcon Call Right.

The Company has presented the shares outside of stockholders' deficiency in the mezzanine section of the balance sheets, as the Agreement includes put rights, which are not solely within the control of the Company.

The Agreement also amended the existing agreements between the Company and OU such that all intellectual property, including all inventions and or discoveries, patentable or un-patentable, developed before July 28, 2008 by OU under the SRA is owned by OU. All intellectual property, including all inventions and/or discoveries, patentable or un-patentable, developed jointly by the Company and OU at any time is jointly owned by the Company and OU. Finally, all intellectual property developed by the Company after July 28, 2008, including all inventions and or discoveries, patentable or un-patentable, is owned by the Company.

During the nine month periods ended September 30, 2011 and 2010, the Company charged operations $25,897 and $26,043, respectively, pursuant to the SRA.

Note 3 – OCAST Grant

The Oklahoma Center for the Advancement of Science and Technology approved the Company's application for funding of a matching grant titled 800 Million Voxels Volumetric Display, on November 19, 2008. The two-year matching grant, totaling $299,932, had a start date of January 1, 2009. The Company received approval for our no cost extension request for the first year of the contract. With the new modification, the first year ended on August 31, 2010. The award is for a maximum of $149,940 for 2009 and the remainder for 2011. The Company earned $80,323 and $51,672 from the grant during the nine-month periods ended September 30, 2011 and 2010, and $211,824 inception to date. The Company received approval for our no cost extension request for the second year of the contract and, with the new modification, the second year ends on February 28, 2012.

Note 4 – Debentures Payable

Debentures payable consist of the following:

	September 30, 2011	December 31, 2010
Senior Convertible Debentures:		
6.25% Debenture due 2011	$ 81,788	$ 189,120
4.75% Debenture due 2011	83,016	88,416
13.0% Debenture due 2011	-	100,703
13.0% Debenture due 2011	-	25,206
Total Debentures	164,804	403,445
Less - Current Maturities	(164,804)	(403,445)
Long-term Debentures	$ -	$ -

6.25% Convertible Debenture due December 31, 2011

On November 21, 2007, the Company issued and sold a convertible note in the principal amount of $1,250,000 (the "Debenture") to Golden State Equity Investors, Inc. f/k/a Golden Gate Investors ("Golden Gate"). Pursuant to the terms of the Debenture, Golden State may, at its election, convert all or a part of the 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 Debenture. In addition, pursuant to the terms of the Debenture, the Company agreed to file a registration statement covering the shares of common stock issuable upon conversion or redemption of the Debenture. The Company filed a registration statement covering the shares to be issued upon conversion of the Debenture. Included in the registration statement were 4.25 million shares issuable on the Debenture based on 2007 market prices and assuming full conversion of the convertible debenture. The registration statement became effective on January 4, 2008.

Golden State advanced $125,000 on the $1.25 million Debenture on November 9, 2007 and $746,213 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 September 30, 2011, Golden State has funded an aggregate of $871,213 on the Debenture. Golden State will be obligated to fund the Company for the remaining $378,787 in principal on the Debenture upon the effectiveness of a registration statement underlying the remaining unfunded principal balance on the Debenture. At this time, the Company has not filed a registration statement. At various dates during 2009, $115,043, of the Debenture was converted into 12,124,828 shares of common stock at prices ranging from $0.007 to $0.01 based on the formula in the convertible debenture. At various dates during 2010, $274,438 of the Debenture was converted into 93,196,578 shares of common stock at prices ranging from $0.0027 to $0.004 based on the formula in the convertible debenture. Shares totaling 6,093,396 were issued in payment of $17,062 of accrued interest during 2010. At various dates during 2011, $120,000 of the Debenture was converted into 9,124,055 shares of common stock at prices ranging from $0.006 to $0.017 based on the formula in the convertible debenture. Additionally $12,669 of accrued interest due through March 15, 2011 was added to the debenture balance during the nine month period ended September 30, 2011. The 4,310,446 shares remaining in escrow and reported as outstanding at December 31, 2010 were cancelled in the first quarter of 2011.

The conversion price for the $1.25 million Debenture is the lesser of (i) $2.00 or (ii) 90% of the average of the five lowest volume weighted average prices during the twenty (20) trading days prior to the conversion. If Golden State elects to convert a portion of the debenture and, on the day that the election is made, the volume weighted average price is below $0.75, the Company shall have the right to prepay that portion of the debenture that Golden State elected to convert, plus any accrued and unpaid interest, at 135% of such amount.

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 and subsequent to the period ended September 30, 2011. 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. (see Note 10 - Subsequent Events)

4.75% Convertible Debenture due November 3, 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 2009, Golden State converted $3,510 of the $100,000 debenture into 35,622,803 shares of common stock, exercised warrants to purchase 35,100 shares of common stock at $10.90 per share and the Company received $382,590 from the exercise of the warrants. During 2009, Golden State advanced $240,000 against future exercises of warrants and applied $4,181 of accrued interest due on the debenture to the advance account of which $336,170 was applied to the exercise of warrants leaving $48,511 of unapplied advances at December 31, 2009. During 2010, Golden State converted $4,752 of the $100,000 debenture into 162,454,399 shares of common stock, exercised warrants to purchase 47,523 shares of common stock at $10.90 per share and advanced $251,489 against future exercises of warrants of which $300,000 was applied to the exercise of warrants leaving $-0- of unapplied advances at December 31, 2010. During 2011, Golden State converted $5,400 of the $100,000 debenture into 38,615,468 shares of common stock, exercised warrants to purchase 54,000 shares of common stock at $10.90 per share and applied $3,382 of accrued interest and advanced $750,000 against future exercises of warrants of which $588,589 was applied to the exercise of warrants leaving $164,782 of unapplied advances at September 30, 2011.

The conversion price for the 4.75% $100,000 convertible debenture is the lesser of (i) $4.00 or (ii) 80% of the average of the five lowest volume weighted average prices during the twenty (20) trading days prior to the conversion. If Golden State elects to convert a portion of the debenture and, on the day that the election is made, the volume weighted average price is below $0.75, the Company shall have the right to prepay that portion of the debenture that Golden State elected to convert, plus any accrued and unpaid interest, at 135% of such amount.

Newton, O'Connor, Turner & Ketchum 10% Convertible Debentures

On May 22, 2009, the Company issued to Newton, O'Connor, Turner & Ketchum, a professional corporation ("NOTK") and the legal counsel to the Company through 2008, 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 was charged to operations in 2009. The interest rate on the debenture increased to 13% during 2009 due to the Company not making payments when due.

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 warrant of two years is based on historical exercise behavior and expected future experience.

On March 1, 2010, Newton, O'Connor, Turner & Ketchum agreed to extend the September 30, 2009 due date of their 13% debenture to March 31, 2010, in consideration for one million (1,000,000) shares of common stock. The shares, which are restricted under SEC Section 144, were valued at 50% of the average of the previous five day closing price on March 1, 2010, which was $0.002 per share totaling $4,140.

On June 1, 2010, Newton, O'Connor, Turner & Ketchum agreed to extend the March 31, 2010 due date of their 13% debenture to September 30, 2010 in consideration for one million five hundred thousand (1,500,000) shares of common stock and a reduction in the exercise price of the warrants. The revised price at which the warrant may be exercised shall be $0.045 per share for exercises made during the period between the date of grant and the second anniversary of the revised maturity date, and $0.09 per share for exercises made during the forty-eight month period between the second anniversary of the revised maturity date and the sixth anniversary of the maturity date. The shares, which are restricted under SEC Section 144, were valued at 50% of the average of the previous five day closing price on June 1, 2010, which was $0.004 per share totaling $6,210.

On March 31, 2011, Newton, O'Connor, Turner & Ketchum agreed to extend the September 30, 2010 due date of their 13% debenture to April 30, 2011 in consideration for two hundred thousand (200,000) shares of common stock and an extension of the exercise dates of the warrants. The revised dates at which the warrant may be exercised shall be $0.045 per share for exercises made during the period between the date of grant and the second anniversary of the revised maturity date, and $0.09 per share for exercises made during the forty-eight month period between the second anniversary of the revised maturity date and the sixth anniversary of the revised maturity date. The shares, which are restricted under SEC Section 144, were valued at 50% of the average of the previous five day closing price on March 31, 2011, which was $0.07 per share totaling $14,048.

On June 2, 2010, the Company issued to NOTK a second 10% convertible debenture in a principal amount of $25,206, due September 30, 2010, and warrants to purchase 3,360,847 shares of the common stock at an exercise price of $0.045 per share through September 30, 2012 and an exercise price of $0.09 per share through September 30, 2016. 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, 2009. The debenture and the warrants were issued in settlement of the indebtedness. The interest rate on the debenture increased to 13% during 2010 due to the Company not making payments when due.

On April 30, 2011, Newton, O'Connor, Turner & Ketchum agreed to convert their 13% convertible debentures and accrued interest, which totaled in the aggregate $159,842 into 18,972,186 common shares of the Company's common stock, at an average price per share of $0.008, under the terms of the convertible debentures. The shares are restricted under SEC Section 144.

Note 5 – Convertible Promissory Notes 5%, Due 2013

In October 2010, the Company issued 5% Convertible Promissory Notes (the "Notes") to six persons, in the aggregate, totaling $400,877. The Notes mature three years from the date issued. The Notes automatically convert to common stock of the Company at $0.0034 per share (the "Fixed Conversion Price") prior to March 15, 2011, upon the merger or consolidation of the Company with or into another person, the Company effects any sale of all or substantially all of its assets, any tender or exchange offer of the Company's common stock, or the Company effectively converts into or exchanges the Company's common stock for other securities, cash or property. Additionally, after March 15, 2011, at the option of the holder, the Notes are convertible into common stock of the Company at a price per share of $0.0025 (75% of the "Fixed Conversion Price"). Interest on the Notes accrue from the original issue date at 5% annually, is payable upon maturity or conversion of the Notes and such interest may be converted in whole or part to shares of common stock at the effective conversion price.

At various dates during 2011, the six persons converted the $400,877 Notes and accrued interest of $9,020 into 163,631,653 shares of common stock at $0.0025 per share. The shares are restricted under SEC Section 144.

Note 6 – Common Stock and Paid-In Capital

On November 19, 2010 the Board of Directors of the Company authorized an amendment to the Company's Certificate of Incorporation in order to (i) increase the authorized shares of the Company's common stock from 750,000,000 shares, par value $0.0002 to 1,500,000,000 shares, par value $0.0002, (ii) effect a reverse split of the Company's common stock in a ratio in the range between 1 for 10 and 1 for 25, as will be selected by the Company's Board of Directors (the "Reverse Split"), and (ii) create a series of "blank check" preferred stock consisting of 25,000,000 shares, par value $0.0002. On May 16, 2011, the Company announced that the Company's Board of Directors elected to allow its authorization to effect a reverse stock split to expire on June 1, 2011.

Warrants issued

Pursuant to Subscription Agreements entered into during March and April 2009, the Company sold 999,999 shares of the Company's common stock at a per share price of $0.03 per share and warrants to purchase 500,000 shares of its common stock at a price of $0.10 per share from closing for a period of twelve months; $0.15 per share for the second subsequent twelve months; or $0.20 per share for the subsequent twelve months to three accredited individuals. The Company received $30,000 in cash from the sale. The 500,000 warrants are valued at $6,579 and the 999,999 shares are valued at $23,421. The warrants terminate three years from date of issue in 2012.

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 178% 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 1.38% 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.

Pursuant to Subscription Agreements entered into during October and November 2009, the Company sold 1,666,666 shares of the Company's common stock at a per share price of $0.03 per share and warrants to purchase 16,666,666 shares of its common stock at a price of $0.10 per share from closing for a period of twelve months; $0.25 per share for the second subsequent twelve months and; $0.50 per share for the third subsequent twelve months to two accredited individuals. The Company received $50,000 in cash from the sale. The 16,666,666 warrants are valued at $35,225 and the 1,666,666 shares are valued at $14,775. The warrants terminate three years from date of issue in 2012.

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 178% 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 1.38% 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.

As of September 30, 2011, there are warrants outstanding to purchase 500,000 shares of common stock at a price of $0.20 per share that expire on various dates in March and April 2012; warrants to purchase 16,666,666 shares of common stock at a price of $0.10 per share through 2012, at $0.25 per share through 2011 and $0.50 per share through 2012; warrants to purchase 4,378,394 shares of common stock at a price of $0.045 per share through April 30, 2012 and $0.09 per share that expire on April 30, 2016; and, warrants to purchase 3,360,847 shares of common stock at a price of $0.09 per share that expire on June 1, 2015. Additionally, Golden State has warrants outstanding to purchase 830,160 shares of common stock at a price of $10.90 per share which expire December 31, 2011.

Common stock and options issued for services and liabilities

The law firm of Newton, O'Connor, Turner & Ketchum was issued shares totaling 200,000 on March 31, 2011, in consideration of extending the due date of the 13% convertible debenture.

Effective as of May 17, 2011, the Directors of the Company granted 1,977,900 options to each of the three Directors, Martin Keating, John O'Connor and Victor Keen, totaling 5,933,700 options, to purchase Rule 144 common stock of the Company for the exercise price of $.04 per share during the ten year period from June 1, 2011 through May 31, 2021 (the "Options"); the exercise price is based upon the average of the closing price of the stock for the five trading days before the date of the Board Consent; the fair market value of each Option is $0.038; one-half of the Options vest on the date granted and the remaining one-half of the Options shall vest on December 31, 2011. The options are for services the Directors have provided and are providing to the Company for calendar year 2011.

The estimated fair value of the options of $225,000 was determined using the Black-Scholes option pricing model. One half of the value, $112,500, was charged to operations in May 2011. During the second quarter of 2011, $65,625 was charged to operations. The remaining balance of $46,875 , will be charged to operation during the fourth quarters of 2011. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 172% 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 1.87% is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option of five years is based on historical exercise behavior and expected future experience.

On June 13, 2011, the Company entered into a one (1) year Agreement for At-Will Employment with Assignment of Inventions ("Employment Agreement") with Sidney A. Aroesty, pursuant to which Mr. Aroesty began serving as the Company's Chief Executive Officer, effective June 13, 2011. Under the terms of the Employment Agreement, Mr. Aroesty is entitled to an annual base salary of $120,000 and, at the discretion of the Company's Board of Directors (the "Board"), performance-based bonuses and/or salary increases. Pursuant to the Employment Agreement, the Company granted Mr. Aroesty five-year stock options to purchase two (2) million shares at an exercise price of $0.031 (the "Strike Price"). Furthermore, if Mr. Aroesty remains employed by the Company, he will receive additional stock options to purchase three (3) million shares at the Strike Price upon the completion of a trade show prototype that displays the Company's technology.

The Employment Agreement contains provisions for non-disclosure of confidential information pursuant to which Mr. Aroesty agreed to refrain from using or disclosing to third parties, directly or indirectly, any Confidential Information, as defined in the Employment Agreement, either during or following his employment with the Company. Furthermore, Mr. Aroesty unconditionally and irrevocably assigned any now-existing or later-created Invention(s), as defined in the Employment Agreement, which are developed during or three (3) years after his employment with the Company.

The Employment Agreement may be terminated with or without reason by either the Company or Mr. Aroesty and at any time, upon sixty (60) days written notice. The terms of the Employment Agreement will remain effective for one (1) year and will automatically renew, subject to the same termination rights. Upon termination, the Company will pay any base pay, bonus and benefits that have been earned and are due as of the date of the termination.

The estimated fair value of the two million options of $60,600, was determined using the Black-Scholes option pricing model and was charged to operation in June 2011. The expected dividend yield of $-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 172% 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 1.43% 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.

During the nine-month periods ended September 30, 2011 and 2010, shares of common stock totaling 24,112,115, and 67,184,416, respectively were issued for consulting services for which the Company recognized $291,352 and $150,835 of expense, respectively. Additionally, during the period ending September 30, 2011 and 2010, shares totaling 40,530,393 and 79,157,897, respectively were issued to consultants for previous services provided to the Company for which the accounts payable liability was reduced by $95,621 and $244,236, respectively. Shares totaling 57,000,000, which are restricted under SEC Section 144, were issued in the first quarter of 2011 in payment of accrued salaries and payroll taxes totaling $460,405 due Martin Keating, Chairman of the Board of Directors, Hakki Refai, Chief Technology Officer and Judith Keating the Secretary of the Company. The Company received $20,000 and after withholding the related income taxes, shares of common stock totaling 3,869,962 were issued upon the exercise of four million options under the terms of the employment agreement with Dr. Hakki Refai.

The following summary reflects warrant and option activity for the nine-month period ended September 30, 2011:

	Attached Warrants	Golden State Warrants	Options
Outstanding December 31, 2010	24,905,908	884,160	71,065,995
Granted	-	-	14,933,700
Exercised	-	(54,000)	(4,000,000)
Cancelled	-	-	(5,000,000)
Outstanding September 30, 2011	24,905,908	830,160	76,899,695

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

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

Note 7 – Incentive Stock Plan

In February 2010 the Company established the 3DIcon Corporation 2010 Incentive Stock Plan (the "2010 Plan"). 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 2010 Plan shall not exceed seventy-five million (75,000,000) shares. The shares are included in a registration statement filed February 26, 2010. Shares totaling 71,910,973 were issued from the 2010 Plan during the period ended December 31, 2010 for services rendered and to satisfy accounts payable to the Company. Shares totaling 3,089,027 were issued from the 2010 Plan during the period ended September 30, 2011 for services rendered and to satisfy accounts payable to the Company. There are no shares available for issuance under the 2010 Plan.

In June 2010 the Company established the 3DIcon Corporation 2010 Equity Incentive Stock Plan (the "2010 EIP"). 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 2010 EIP shall not exceed sixty million (60,000,000) shares. The shares are included in a registration statement filed June 24, 2010. Shares totaling 58,509,328 were issued from the 2010 EIP during the period ended December 31, 2010 for services rendered and to satisfy accounts payable to the Company. Shares totaling 1,490,672 were issued from the 2010 EIP during the period ended September 30, 2011 for services rendered and to satisfy accounts payable to the Company. There are no shares available for issuance under the 2010 EIP.

In January 2011 the Company established the 3DIcon Corporation 2011 Equity Incentive Stock Plan (the "2011 EIP"). 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 2011 EIP shall not exceed one hundred million (100,000,000) shares. The shares are included in a registration statement filed January 14, 2011. Shares totaling 59,712,809 were issued from the 2011 EIP during the period ended September 30, 2011 for services rendered and to satisfy accounts payable to the Company. There are currently 40,287,191 shares available for issuance under the 2011 EIP.

Note 8 – Office Lease

The Company signed an Office Lease Agreement (the "Lease Agreement") on April 24, 2008. The Lease Agreement commenced on June 1, 2008 and expired June 1, 2011. On March 8, 2011 the Lease Agreement was amended to extend the expiration date to May 31, 2012. At September 30, 2011, minimum future lease payments to be paid annually under the non-cancelable operating lease for office space are as follows:

2011	$ 6,944
2012	$ 11,573
Total	$ 18,517

Note 9 – Related Party Transaction

3DIcon has engaged the law firm of Newton, O'Connor, Turner & Ketchum as its outside corporate counsel since 2005. John O'Connor, a director of 3DIcon, is the Chairman of Newton, O'Connor, Turner & Ketchum. During the periods ended September 30, 2011 and 2010, the Company incurred legal fees to Newton, O'Connor, Turner & Ketchum in the amount of $50,585 and $21,551, respectively, issued 200,000 shares of common stock, valued at $14,048 in consideration of extending the due date of their 13% convertible debenture and issued 18,972,186 shares of common stock in payment of $159,842 principle and accrued interest under the terms of the 13% convertible debenture. (see Note 4 - Debentures Payable)

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 during the period ended September 30, 2011 and subsequent to September 30, 2011. On each of the occasions Golden State, by letter agreements, agreed that the occasions did not constitute a default and thereby waived the default provision for the occasions.

Subsequent to September 30, 2011 Golden State converted $50,000 of the 6.25% convertible debenture into 7,032,349 common shares at $0.00711 per share under the terms of the securities purchase agreements.

Common stock issued for services and liabilities

Subsequent to September 30, 2011 shares of common stock totaling 5,819,237 were issued for consulting services for which the Company recognized $61,352 of expense.

On October 24, 2011 the Board of Directors, subject to the approval of the shareholders of the Company, authorized an amendment to the Company's Certificate of Incorporation in order to effect a reverse split of the Company's common stock in a ratio in the range between 1 for 15 and 1 for 35, as will be selected by the Company's Board of Directors (the "Reverse Split"). On October 15, 2011, the Company held an annual meeting of stockholders, at which annual meeting the stockholders approved the Reverse Split and approved the filing of an Amended Certificate of Incorporation to effect the Reverse Split at the discretion of the Board of Directors.

Submission of Matters to a Vote of Security Holders

The annual meeting (the "Annual Meeting") of stockholders of 3DIcon Corporation (the "Company") was held on October 15, 2011 in Tulsa, Oklahoma. Only shareholders of record as of the close of business on September 9, 2011 were entitled to vote at the Annual Meeting. As of the record date, 1,167,988,693 shares of the Company's common stock were outstanding and entitled to vote at the Annual Meeting. At the Annual Meeting, 838,768,676 shares of the Company's common stock were represented, in person, by proxy or by broker non-votes, consisting a quorum.

The results of the matters voted on by the shareholders at the Annual Meeting were as follows:

1. The shareholders voted against a proposal to reincorporate by merger from an Oklahoma corporation into a wholly owned Nevada corporation.

For	Against	Abstain
452, 996, 024	84,626,847	5,316,576

2. The shareholders voted to approve an amendment to the Certificate of Incorporation of the Company to effect a reverse stock split of the Company's common stock, par value $0.0002 per shares, at a ratio not less than fifteen-for-one and not greater than thirty- five-for-one, with the exact ratio to be set within such range at the discretion of the Board of Directors, without further approval or authorization of the Company's stockholders, provided that the Board of Directors determines to effect the reverse split and such amendment is filed with the Nevada Secretary of State no later than April 30, 2012.

For	Against	Abstain	Broker Non-Votes
718,760,305	117,507,387	2,500,984	295,829,229

3. The shareholders voted to ratify the appointment of HoganTaylor LLP as the Company's independent registered public accounting firm for our fiscal year ending December 31, 2011.

For	Against	Abstain	Broker Non-Votes
828,137,281	3,749,708	6,881,687	295,829,229

4. The shareholders voted to elect the following Directors:

Nominees	For	Withheld
Martin Keating	531,002,087	11,937,360
John O'Connor	536,141,455	6,797,992
Victor F. Keen	536,141,455	6,797,992

5. In a discretionary vote brought before the Annual Meeting, the proxy votes and the shareholders represented in person voted in favor of an amendment to the reverse stock split matter, which matter was voted in Proposal #2, to allow the Company to filed an amendment to the Company's Certificate of Incorporation with the Oklahoma Secretary of State or the Nevada Secretary of State, at the discretion of the Board of Directors. The amendment was approved by the shareholder.

For	Against	Abstain	Broker Non-Votes
737,383,035	19,618,855	81,766,786	295,829,229

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° volumetric imaging and display technology, specifically in the areas identified by the initial in-depth investigation conducted by the 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 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 our staff and the University, to which 3DIcon will have exclusive 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 our staff and the University, to which the Company has exclusive rights and engage in product research and development both directly related to the display as well as by-product technologies.

The Oklahoma Center for the Advancement of Science and Technology approved the Company’s application for funding of a matching grant titled 800 Million Voxels Volumetric Display, on November 19, 2008. The two-year matching grant, totaling $299,932, had a start date of January 1, 2009. The Company received approval for our no cost extension request for the first year of the contract. With the first modification, the first year ended on August 31, 2010. The award was for a maximum of $149,940 for 2009 and the remainder for 2011. The Company earned $80,323 and $51,672 from the grant during the periods ended September 30, 2011 and 2010, and $211,824 from inception to date. The Company received approval for our no cost extension request for the second year of the contract. With the new modification, the second year ends on February 28, 2012.

Current Activities and Operations

The Company is developing the CSpace 3D volumetric display technology, specifically the Trade-Show Prototype (“TSP”), through the Sponsored Research Agreement (the “SRA”) with the University of Oklahoma and development contracts with Advanced Optical Technologies, Inc. (“AOT”) of Albuquerque, NM. Dr. Brian Hoover, CEO of AOT, has been retained as 3DIcon VP of Technology Development, responsible for integration of technologies and resources in the development and commercialization of CSpace. From March 2011, the company has mobilized a team including an optical engineer, systems engineer, computer-graphics specialists, and consulting mechanical and design engineers (through Comet Solutions) to develop the TSP design, conduct computer-based modeling and simulation, design and construct a physical laser and materials testbed at the OU Tulsa laboratory, develop an online program-management system, find and qualify new facilities for TSP development, and help define commercialization paths. The primary objective for the remainder of 2011 and 2012 is to develop the TSP, which is a single-color CSpace display featuring an 8”x8”x4” liquid image volume enclosed in a 15” glass dome, continuously viewable over 360° and from the top in moderately-bright room lighting (satisfying the requirements of ISO 9241-303) without operational safety controls (e.g., goggles or stand-off barrier). The TSP is expected to be developed at new facilities in Albuquerque, NM.

Progress on Research and Development Activities

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	Granted U.S. Patent	European Pending Patent-Date of Filing	Japanese Pending Patent-Date of Filing
Swept Volume Display	Swept Volume Display	Filed by OU in 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)	Filed by OU in April 2007	December 28, 2010	April 2007	April 2007
Volumetric Liquid Crystal Display	Volumetric Liquid Crystal Display for Rendering Three-Dimensional Image (Combined)	Filed by OU in April 2007	May 2009		
Computer System Interaction with DMD	Computer System Interaction with DMD	Filed by OU in January 2008			
Virtual Moving Screen for Rendering Three Dimensional Image	Virtual moving screen for rendering a three-dimensional image	Filed by OU in January 2008			
Optically Controlled Light Emitting and System for Optically Written 2D and 3D Displays	Utility Patent Application to be filed	Filed by 3DIcon in April 2008			

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.

In May 2011 Dr. Hoover delivered a 30-page preliminary technical assessment of the CSpace technology. The primary purpose was to obtain an independent assessment on the feasibility of scaling the original CSpace architecture up to a trade-show prototype, and to suggest alternative CSpace components to increase feasibility where needed. The report first defined TSP requirements, proposed a preliminary TSP design, and laid out a systematic approach for meeting those requirements. Using preliminary photometric, thermal, and mechanical analyses, the report then assessed the feasibility of the original CSpace architecture to meet the TSP requirements, and suggested alternative architectural components to increase scaling feasibility. The assessment identified the following four improvements that could significantly enhance the feasibility of the TSP:

- Increase material photoluminescent efficiency
- Adapt rendering mode
- Implement dome cooling
- Reduce projector power loss

Activities were undertaken to develop these improvements in a risk-reduction phase beginning June 2011. The risk-reduction contract with AOT also addressed program-management and facility needs anticipating TSP development. Since relevant data on material photoluminescent efficiency is scarce, a laser and materials research testbed was designed and constructed at the OU Tulsa laboratory, and the existing set of solid and liquid materials was optically characterized. Specifications and sources of additional materials were also developed. A rendering study was undertaken, to demonstrate and quantify alternative rendering modes, employing an OU graduate student under the oversight of TAB member Dr. Pradeep Sen. Dome cooling studies were conducted via computer simulation by Comet Solutions, and alternative projector architectures were identified. A program-management system was established on the Clarizen online platform, and facilities, staffing needs, and budgets were developed for execution of the TSP development plan.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011 COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2010

Revenue

The Company earned $25,434 and $22,908 from the OCAST grant during the three months ended September 30, 2011 and 2010, respectively.

We did not have earned income from the sales of Pixel Precision™ for the three-months ended September 30, 2011 or September 30, 2010.

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, research and development, interest) but do not expect the revenue generated in 2011 to cover the operating expenses.

Research and Development Expenses

The research and development expenses were $212,291 for the three months ended September 30, 2011, as compared to $68,710 for the three months ended September 30, 2010. The increase was a result of the February and June 2011 agreements signed with Advanced Optical Technologies (“AOT”), $90,000, lab equipment purchased, $29,000, travel related to the AOT agreement, $6,000, and supplies of $5,400. These increases were for the costs of lab supplies and equipment and consultants for the CSpace®™ prototype development.

General and Administrative Expenses

Our general and administrative expenses were $331,856 for the three months ended September 30, 2011 as compared to $252,525 for the three months ended September 30, 2010. The increase is due primarily to consultants, $59,000, auditing fees, $7,600, travel, $13,000, the salary of and options issued to the new CEO and management consultants of $59,000, less the $36,000 of salary to the previous CEO.

Interest expense for the three months ended September 30, 2011 was $2,314 as compared to $33,514 for the three months ended September 30, 2010. The decrease was a result of the decrease in the amounts outstanding on our convertible debentures and the conversion of the Newton, O'Connor, Turner & Ketchum 13% Convertible Debentures to common stock.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011 COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2010

Revenue

The Company earned $80,323 from the OCAST grant during the nine months ended September 30, 2011 as compared to $51,672 for the nine months ended September 30, 2010. The increase was due to additional expenditures under the grant.

There were sales of $3,000 of Pixel Precision™ during the nine months ended September 30, 2011 as compared to $-0- for the nine months ended September 30, 2010.

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, research and development, interest) but do not expect the revenue generated to cover the operating expenses.

Research and Development Expenses

Research and development expenses were $534,737 for the nine months ended September 30, 2011, as compared to $388,769 for the nine months ended September 30, 2010. The net increase was a result of an increase in expenses incurred for lab supplies and equipment $65,000 and consultants engaged amounting to $255,000 in 2011 and the decrease in the cost of vesting options to the Director of Technology in 2010 amounting to $168,000.

General and Administrative Expenses

Our general and administrative expenses were $979,638 for the nine months ended September 30, 2011 as compared to $793,358 for the nine months ended September 30, 2010. The increase was the result of the increase in legal fees of $39,000, accounting and auditing fees of $20,000, public relations consultant of $17,000, cost incurred for the October shareholders' meeting of $27,000, and the increase in cost related to the hiring of and options issued to the new CEO and consultants of approximately $149,000, less the cost of the retiring CEO of $108,000.

Interest Expense

Interest expense for the nine months ended September 30, 2011 was $35,315 as compared to $66,464 for the nine months ended September 30, 2010. The change 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 SRA with the University. This includes development of an initial demonstrable prototype and a second prototype for static volume technology.
- Acceleration of research and development through increased research personnel as well as other research agencies.
- General and administrative expenses: salaries, insurance, investor related expenses, rent, travel, website, etc.
- Hiring executive officers for technology, operations and finance.
- Development, support and operational costs related to Pixel Precision™ software.
- Professional fees for accounting and audit; legal services for securities and financing; patent research and protection.

Our independent registered public accountants, in their audit report accompanying our financial statements for the year ended December 31, 2010, 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 $252,587 at September 30, 2011.

We had negative working capital of $230,836 at September 30, 2011.

During the nine months ended September 30, 2011, we used $883,516 of cash for operating activities, an increase of $623,324 or 240% compared to the nine months ended September 30, 2010. The increase in the use of cash for operating activities was a result of the increase in the net loss of approximately $274,000, the increase in stock issued for interest of approximately $26,000 and a decrease in the change in accounts payable of approximately $349,000.

Cash used in investing activities during the nine months ended September 30, 2011 was approximately $1,000 compared to $-0- for the nine months ended September 30, 2010.

Cash provided by financing activities during the nine months ended September 30, 2011 was $770,000, an increase of $509,000 or 194% compared to the nine months ended September 30, 2010. The increase was the result of warrant exercise advances from Golden State and options exercised.

We expect to fund the ongoing operations through the existing financing in place (see below) and through raising additional funds as permitted by the terms of Golden State financing.

Our ability to fund the operations of the Company is highly dependent on the underlying stock price of the Company.

Pursuant to the 6.25% Convertible Debenture due in 2011,on November 21, 2007, the Company issued and sold a convertible note in the principal amount of $1,250,000 (the "Debenture") to Golden State Equity Investors, Inc. f/k/a Golden Gate Investors ("Golden Gate"). Pursuant to the terms of the Debenture, Golden State may, at its election, convert all or a part of the 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 Debenture. In addition, pursuant to the terms of the Debenture, the Company agreed to file a registration statement covering the shares of common stock issuable upon conversion or redemption of the Debenture. The Company filed a registration statement covering the shares to be issued upon conversion of the Debenture.

Included in the registration statement were 4.25 million shares issuable on the Debenture based on 2007 market prices and assuming full conversion of the convertible debenture. The registration statement became effective on January 4, 2008.

Golden State advanced $125,000 on the $1.25 million Debenture on November 9, 2007 and $746,213 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 September 30, 2011, Golden State has funded an aggregate of $871,213 on the Debenture. Golden State will be obligated to fund the Company for the remaining $378,787 in principal on the Debenture upon the effectiveness of a registration statement underlying the remaining unfunded principal balance on the Debenture. At this time, the Company has not filed a registration statement. At various dates during 2009, $115,043, of the Debenture was converted into 12,124,828 shares of common stock at prices ranging from $0.007 to $0.01 based on the formula in the convertible debenture. At various dates during 2010, $274,438 of the Debenture was converted into 93,196,578 shares of common stock at prices ranging from $0.0027 to $0.004 based on the formula in the convertible debenture. Shares totaling 6,093,396 were issued in payment of $17,062 of accrued interest during 2010. At various dates during 2011, $120,000 of the Debenture was converted into 9,124,055 shares of common stock at prices ranging from $0.006 to $0.017 based on the formula in the convertible debenture. Additionally $12,669 of accrued interest due through March 15, 2011 was added to the debenture balance during the nine month period ended September 30, 2011. The 4,310,446 shares remaining in escrow and reported as outstanding at December 31, 2010 were cancelled in the first quarter of 2011.

Pursuant to the 4.75% Convertible Debenture due in 2011, beginning in November 2007, Golden State is obligated to submit conversion notices in an amount such that Golden State receives 1% of the outstanding shares of the Company every calendar quarter for a period of one year. In connection with each conversion, Golden State is expected to exercise warrants equal to 10 times the amount of principal converted. The warrants are exercisable at $10.90 per share. Beginning in November 2008, Golden State is required to convert $3,000 of the 4.75% Convertible Debenture and exercise 30,000 warrants per month. During 2009, Golden State converted $3,510 of the $100,000 debenture into 35,622,803 shares of common stock, exercised warrants to purchase 35,100 shares of common stock at $10.90 per share and the Company received $382,590 from the exercise of the warrants. During 2009, Golden State advanced $240,000 against future exercises of warrants and applied $4,181 of accrued interest due on the debenture to the advance account of which $336,170 was applied to the exercise of warrants leaving $48,511 of unapplied advances at December 31, 2009. During 2010, Golden State converted $4,752 of the $100,000 debenture into 162,454,399 shares of common stock, exercised warrants to purchase 47,523 shares of common stock at $10.90 per share and advanced $251,489 against future exercises of warrants of which $300,000 was applied to the exercise of warrants leaving $-0- of unapplied advances at December 31, 2010. During 2011, Golden State converted $5,400 of the $100,000 debenture into 38,615,468 shares of common stock, exercised warrants to purchase 54,000 shares of common stock at $10.90 per share and applied $3,382 of accrued interest and advanced $750,000 against future exercises of warrants of which $588,589 was applied to the exercise of warrants leaving $164,782 of unapplied advances at September 30, 2011.

The Oklahoma Center for the Advancement of Science and Technology approved our application for funding of a matching grant titled 800 Million Voxels Volumetric Display, on November 19, 2008. The two-year matching grant, totaling $299,932, had a start date of January 1, 2009. We received approval for our no cost extension request for the first year of the contract. With the first modification, the first year ended on August 31, 2010. The award is for a maximum of $149,940 for 2009 and the remainder for 2011. The Company earned $80,323 and $51,672 from the grant during the nine month periods ended September 30, 2011 and 2010, and $211,824 from inception to date. We received approval for our no cost extension request for the second year of the contract. With the new modification, the second year ends on February 28, 2012.

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

The Company was unable to meet the revised payment schedule and on May 18, 2009 the University agreed to revise the payment terms. Under the terms of the revised base payments schedule, the arrearages scheduled to be paid in nine monthly base installments from October 31, 2008 to June 30, 2009 of amounts ranging from $35,000 to $101,132 were deferred to a monthly payment schedule of July 2009 through February 2010. On February 19, 2010, the University agreed to modify the repayment plan to retire the outstanding debt of $525,481. Under the terms of the modified repayment plan the Company agreed to make payments to the University, not less than quarterly, in an amount equal to 22.5% of any funding received by the Company. The Company complied with the agreed upon payment schedule and on December 1, 2010 the Company entered into an agreement with OU pursuant to which OU agreed to convert all sums due to it from the Company in connection with its SRA with the Company, which as of December 1, 2010 amounted to approximately $485,000, into an aggregate of 59,000,000 shares of the Company's common stock. As a result of the debt conversion, OU became the holder of approximately 8% of the outstanding common stock of the Company. Pursuant to the agreement, the shares are subject to a put option allowing OU to require the Company to purchase certain of the shares upon the occurrence of certain events. In addition, the shares are subject to a call option allowing the Company to require OU to sell to the Company the shares then held by OU in accordance with the terms of the agreement.

Off Balance Sheet Arrangements

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

Significant Accounting Policies

Research and Development Costs

The Company expenses all research and development costs as incurred. Until we have developed a commercial product, all costs incurred in connection with the SRA with the University, as well as all other research and development costs incurred, will be expensed as incurred. 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. Financial Accounting Standards Board ("FASB") guidance on accounting for share based payments requires us to estimate the value of securities used for compensation and to charge such amounts to expense over the periods benefited.

The estimated fair value at date of grant of options for our common stock is estimated using the Black-Scholes option pricing model, as follows:

The expected dividend yield is based on the average annual dividend yield as of the grant date. Expected volatility is based on the historical volatility of our stock. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rates as of the grant date. The expected life of the option is based on historical exercise behavior and expected future experience.

Subsequent Events

Debentures payable

In accordance with the terms of the Second Debenture an event of default occurs if the common stock of the Company trades at a price per share of $0.21 or lower. The trading price was at $0.21 or lower on several occasions during the period ended September 30, 2011 and subsequent to September 30, 2011. On each of the occasions Golden State, by letter agreements, agreed that the occasions did not constitute a default and thereby waived the default provision for the occasions.

Common stock issued for services and liabilities

Subsequent to September 30, 2011 shares of common stock totaling 5,819,237 were issued for consulting services for which the Company recognized $61,352 of expense.

Submission of Matters to a Vote of Security Holders

The annual meeting (the “Annual Meeting”) of stockholders of 3DIcon Corporation (the “Company”) was held on October 15, 2011 in Tulsa, Oklahoma. Only shareholders of record as of the close of business on September 9, 2011 were entitled to vote at the Annual Meeting. As of the record date, 1,167,988,693 shares of the Company’s common stock were outstanding and entitled to vote at the Annual Meeting. At the Annual Meeting, 838,768,676 shares of the Company’s common stock were represented, in person, by proxy or by broker non-votes, consisting a quorum.

The results of the matters voted on by the shareholders at the Annual Meeting were as follows:

1. The shareholders voted against a proposal to reincorporate by merger from an Oklahoma corporation into a wholly owned Nevada corporation.

For	Against	Abstain
452, 996, 024	84,626,847	5,316,576

2. The shareholders voted to approve an amendment to the Certificate of Incorporation of the Company to effect a reverse stock split of the Company's common stock, par value $0.0002 per shares, at a ratio not less than fifteen-for-one and not greater than thirty- five-for-one, with the exact ratio to be set within such range at the discretion of the Board of Directors, without further approval or authorization of the Company's stockholders, provided that the

Board of Directors determines to effect the reverse split and such amendment is filed with the Nevada Secretary of State no later than April 30, 2012.

For	Against	Abstain	Broker Non-Votes
718,760,305	117,507,387	2,500,984	295,829,229

3. The shareholders voted to ratify the appointment of HoganTaylor LLP as the Company's independent registered public accounting firm for our fiscal year ending December 31, 2011.

For	Against	Abstain	Broker Non-Votes
828,137,281	3,749,708	6,881,687	295,829,229

4. The shareholders voted to elect the following Directors:

Nominees	For	Withheld
Martin Keating	531,002,087	11,937,360
John O'Connor	536,141,455	6,797,992
Victor F. Keen	536,141,455	6,797,992

5. In a discretionary vote brought before the Annual Meeting, the proxy votes and the shareholders represented in person voted in favor of an amendment to the reverse stock split matter, which matter was voted in Proposal #2, to allow the Company to filed an amendment to the Company's Certificate of Incorporation with the Oklahoma Secretary of State or the Nevada Secretary of State, at the discretion of the Board of Directors. The amendment was approved by the shareholder.

For	Against	Abstain	Broker Non-Votes
737,383,035	19,618,855	81,766,786	295,829,229

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not Applicable.

Item 4. 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 September 30, 2011, 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.

Not Applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Shares totaling 57,000,000, which are restricted under SEC Section 144, were issued in the first three quarters of 2011 in payment of accrued salaries and payroll taxes totaling $460,405 due Martin Keating, Chairman of the Board of Directors, Hakki Refai, Chief Technology Officer and Judith Keating the Secretary of the Company.

On April 30, 2011, Newton, O'Connor, Turner & Ketchum agreed to convert their 13% convertible debentures and accrued interest, which totaled in the aggregate, $159,842 into 18,972,186 common shares of the Company’s common stock, at an average price per share of $0.008, under the terms of the convertible debentures. Additionally, 200,000 shares of common stock were issued in consideration of extending the due dates of the notes from September 30, 2010 to April 30, 2011. The shares are restricted under SEC Section 144.

During the second quarter of 2011, various individuals converted $400,877 of 5% Promissory Notes and accrued interest of $9,020 into 163,631,653 shares of common stock at $0.0025 per share. The shares are restricted under SEC Section 144.

During the nine-month period ended September 30, 2011 shares of common stock totaling 3,200,000 were issued for consulting services. Additionally, during the period ending September 30, 2011 shares totaling 7,191,781 were issued to consultants for previous services provided to the Company.

The Company received $20,000 and after withholding the related income taxes, shares of common stock totaling 3,869,962 were issued upon the exercise of four million options under the terms of the employment agreement with Dr. Hakki Refai.

Shares of common stock totaling 8,371,353 were issued to a former member of the Board of directors, from the exercise of options granted in 2010 under the terms of the 2010 Incentive Stock Plan

Item 3. Defaults Upon Senior Securities.

None.

Item 4. (Removed And Reserved).

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description of Exhibit
31.1	Certification of Chief Executive Officer required by Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer required by Rule 13a-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial 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/ Sidney A. Aroesty
November 14, 2011	Sidney A. Aroesty Chief Executive Officer
	/s/ Chris T. Dunstan
November 14, 2011	Chris T. Dunstan Interim Chief Financial Officer

EXHIBIT 31.1

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

I, Sidney A. Aroesty, 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: November 14, 2011

By: /s/ Sidney A. Aroesty
Sidney A. Aroesty
Chief Executive Officer

EXHIBIT 31.2

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

I, Chris T. Dunstan, 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: November 14, 2011

By: /s/ Chris T. Dunstan
Chris T. Dunstan
Interim 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 September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sidney A. Aroesty, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

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

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

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: November 14, 2011

By: /s/ Sidney A. Aroesty
Sidney A. Aroesty
Chief Executive Officer

Exhibit 32.2

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 September 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chris T. Dunstan, Interim 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: November 14, 2011

By: /s/ Chris T. Dunstan
Chris T. Dunstan
Interim Chief Financial Officer