

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

Form 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2013

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 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 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

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

As of May 10, 2012, the issuer had 64,673,248 outstanding shares of Common Stock.

TABLE OF CONTENTS

	Page
PART I - Financial Information	
Item 1. Financial Statements.	F-1
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	3
Item 3. Quantitative and Qualitative Disclosures About Market Risk.	9
Item 4. Controls and Procedures.	9
PART II - Other Information	
Item 1. Legal Proceedings.	9
Item 1A. Risk Factors.	9
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.	9
Item 3. Defaults Upon Senior Securities.	10
Item 4. (Removed and Reserved).	10
Item 5. Other Information.	10
Item 6. Exhibits.	10
SIGNATURES	11

PART I

Item 1. Financial Statements.

INDEX TO FINANCIAL STATEMENTS

	Page
Balance Sheets as of March 31, 2013 (Unaudited) and December 31, 2012 (Audited)	F-2
Statements of Operations for the three months ended March 31, 2013 and 2012 and period from inception (January 1, 2001) to March 31, 2013 (Unaudited)	F-3
Statements of Changes in Stockholders' Deficiency for period from inception (January 1, 2001) to March 31, 2013 (Unaudited)	F-4
Statements of Cash Flows for the three months ended March 31, 2013 and 2012 and period from inception (January 1, 2001) to March 31, 2013 (Unaudited)	F-5
Notes to Financial Statements, March 31, 2013 (Unaudited)	F-6

3DIcon CORPORATION
(A Development Stage Company)
BALANCE SHEETS
March 31, 2013 and December 31, 2012

	March 31, 2013	December 31, 2012
	(Unaudited)	(Audited)
Assets		
Current assets:		
Cash	\$ 47,885	\$ 1,350
Prepaid expenses	7,166	12,610
Accounts receivable	0	78,428
Total current assets	<u>55,051</u>	<u>92,388</u>
Net property and equipment	2,739	4,280
Deposits-other	2,315	2,315
Total Assets	<u>\$ 60,105</u>	<u>\$ 98,983</u>
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Current maturities of convertible notes and debentures payable	\$ 649,333	\$ 660,840
Warrant exercise advances	41,001	1
Accounts payable	417,228	324,473
Accrued salaries	12,883	10,958
Accrued interest on debentures	13,821	12,246
Total current liabilities	<u>1,134,266</u>	<u>1,008,518</u>
Convertible debentures payable	72,115	73,665
Long term debt	72,115	73,665
Total Liabilities	<u>1,206,381</u>	<u>1,082,183</u>
Common stock subject to put rights and call right, 1,685,714 shares	<u>485,649</u>	<u>485,649</u>
Stockholders' deficiency:		
Common stock \$.0002 par, 1,500,000,000 shares authorized; 53,744,679 and 45,934,839 shares issued and outstanding at March 31, 2013 and December 31, 2012, respectively	10,749	9,187
Additional paid-in capital	17,266,491	17,044,786
Deficit accumulated during development stage	(18,909,165)	(18,522,822)
Total Stockholders' Deficiency	<u>(1,631,925)</u>	<u>(1,468,849)</u>
Total Liabilities and Stockholders' Deficiency	<u>\$ 60,105</u>	<u>\$ 98,983</u>

Presentation gives effect to the Reverse Stock Split, which occurred on April 27, 2012 (see note 5)

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)

STATEMENTS OF OPERATIONS

Three months ended March 31, 2013 and 2012
From Inception (January 1, 2001) to March 31, 2013
(Unaudited)

	Three Months ended March 31, 2013	Three Months ended March 31, 2012	Inception to March 31, 2013
Income:			
License fee	\$ -	\$ -	\$ 25,000
Sales	1,500	-	42,297
Grant income	-	52,649	281,492
Total income	1,500	52,649	348,789
Expenses:			
Research and development	103,604	133,481	4,781,279
General and administrative	263,972	294,994	13,858,269
Interest	20,267	1,881	618,406
Total expenses	387,843	430,356	19,257,954
Net loss	\$ (386,343)	\$ (377,707)	\$ (18,909,165)
Loss per share:			
Basic and diluted	\$ (0.008)	\$ (0.011)	
Weighted average shares outstanding, Basic and diluted	51,179,718	35,409,004	

Presentation gives effect to the Reverse Stock Split, which occurred on April 27, 2012 (see note 5)

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)
STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIENCY
Period from Inception (January 1, 2001) to March 31, 2013

	Common Stock	Par	Additional	Deficit	
	Shares	Value	Paid-In	Accumulated	Total
	Shares	Value	Capital	During the	
				Development	
				Stage	
Balance, January 1, 2001 – as reorganized	27,723,750	\$ 27,724	\$ 193,488	\$ -	\$ 221,212
Accrue compensation earned but unrecorded	-	-	-	(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 unrecorded	-	-	-	(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 unrecorded	-	-	-	(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	98,336,656	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)	(1,523,737)
Balance, December 31, 2010	757,539,307	151,508	12,322,913	(14,100,651)	(1,626,230)
Warrants and options exercised	12,308,915	2,462	754,378	-	756,840
Debentures converted	252,267,600	50,453	653,093	-	703,546
Stock issued for services	30,072,595	6,015	349,190	-	355,205
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	-	-	285,600	-	285,600
Retrospective adjustment for the 1:35 reverse common stock split on April 27, 2012	(1,119,574,221)	(223,915)	223,915	-	-
Net loss for the period	-	-	-	(2,320,469)	(2,320,469)
Balance, December 31, 2011	32,928,654	6,586	15,168,005	(16,421,120)	(1,246,529)
Warrants and options exercised	2,285	1	871,051	-	871,052
Debentures converted	9,884,674	1,976	37,803	-	39,779
Stock issued for interest	1,076	1	2,046	-	2,047
Stock issued for services	2,248,640	450	245,650	-	246,100
Stock issued for liabilities	869,510	173	366,191	-	366,364
Stock based compensation	-	-	354,040	-	354,040
Net loss for the period	-	-	-	(2,101,702)	(2,101,702)
Balance, December 31, 2012	45,934,839	9,187	17,044,786	(18,522,822)	(1,468,849)
Warrants and options exercised	443	1	168,949	-	168,950
Debentures converted	7,809,397	1,561	52,756	-	54,317
Net loss for the period	-	-	-	(386,343)	(386,343)
Balance March 31, 2013	<u>53,744,679</u>	<u>\$ 10,749</u>	<u>\$ 17,266,491</u>	<u>\$ (18,909,165)</u>	<u>\$ (1,631,925)</u>

Presentation gives effect to the Reverse Stock Split, which occurred on April 27, 2012 (see note 5)

See notes to financial statements

3DIcon CORPORATION
(A Development Stage Company)
STATEMENTS OF CASH FLOWS
Three months ended March 31, 2013 and 2012
and Period from Inception (January 1, 2001) to March 31, 2013
(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>Inception to March 31, 2013</u>
Cash Flows from Operating Activities			
Net loss	\$ (386,343)	\$ (377,707)	\$ (18,909,165)
Adjustments to reconcile net loss to net cash used in operating activities:			
Options issued for services	-	34,840	2,986,618
Stock issued for services	-	42,100	2,484,095
Stock issued for interest	-	-	143,719
Book value of assets retired	-	-	6,529
Amortization of debt issuance costs	16,260	-	265,507
Depreciation	1,541	1,382	34,261
Impairment of assets	-	-	292,202
Change in:			
Accounts receivable	13,028	(23,816)	-
Prepaid expenses and other assets	5,444	(16,075)	(257,881)
Accounts payable and accrued liabilities	<u>96,255</u>	<u>38,116</u>	<u>2,605,012</u>
Net cash used in operating activities	<u>(253,815)</u>	<u>(301,160)</u>	<u>(10,349,103)</u>
Cash Flows from Investing Activities			
Purchase of office furniture and equipment	-	-	(43,529)
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>(43,529)</u>
Cash Flows from Financing Activities			
Proceeds from stock and warrant sales, exercise of warrants and warrant exercise advances	209,950	364,780	5,487,516
Proceeds from issuance of debentures and notes	<u>90,400</u>	<u>-</u>	<u>4,952,991</u>
Net cash provided by financing activities	<u>300,350</u>	<u>364,780</u>	<u>10,440,507</u>
Net change in cash	46,535	63,620	47,875
Cash, beginning of period	1,350	17,666	10
Cash, end of period	<u>\$ 47,885</u>	<u>\$ 81,286</u>	<u>\$ 47,885</u>
Supplemental Disclosures			
Non-Cash Investing and Financing Activities			
Conversion of debentures to common stock (net)	\$ 54,317	\$ 1,663	\$ 4,351,777
Cash paid for interest	\$ 2,432	\$ -	\$ 306,128
Stock issued to satisfy payables	\$ -	\$ 36,764	\$ 2,353,617
Debenture issued to satisfy payable	\$ -	\$ -	\$ 154,916
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 March 31, 2013, and the statements of its operations for the three-months ended March 31, 2013 and 2012, and the period from inception (January 1, 2001) to March 31, 2013, and cash flows for the three-month periods ended March 31, 2013 and 2012, and the period from inception (January 1, 2001) to March 31, 2013, 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 \$18,909,165 for the period from inception (January 1, 2001) to March 31, 2013, and a net loss of \$386,343 and \$377,707 for the three-months ended March 31, 2013 and 2012, 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. Pursuant to the 4.75% Convertible Debenture due in December 2014, 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 or until the Debenture is converted in full. In connection with each conversion, Golden State is expected to simultaneously exercise a percentage of warrants equal to the percentage of the principal being converted. The warrants are exercisable at \$381.50 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 and provided that Golden State is able to sell the shares under Rule 144, Golden State is required to convert \$85.71 of the 4.75% Convertible Debenture and exercise 857 warrants per month. Based upon our current stock price, our issued and outstanding shares as of March 31, 2013 and ignoring the impact of the Beneficial Ownership Limitations, the Company may receive up to \$327,000 per month in funding from Golden State as a result of warrant exercises during the three-months ended March 31, 2013, the Company received \$209,950 in funding under the terms of the 4.75% Convertible Debenture (see Note 4).

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

Registration Statement on Form S-1

Pursuant to a Registration Statement on Form S-1 and the prospectus therein, filed on July 3, 2012, and amendment thereto, the Registration Statement was declared effective on February 13, 2013.

The Depository Trust Company has placed a “Chill” on Deposits of the Common Shares of the Company

In September 2012, The Depository Trust Company (“DTC”), a subsidiary of The Depository Trust & Clearing Corporation which provides custody and electronic clearing services in our shares enabling “book-entry” changes to ownership of the Company’s common stock, suspended post-trade settlement services on the use of the DTC electronic stock transfer system for the Company’s common stock (the “DTC Chill”). As a result, the Company’s common stock is not eligible for delivery, transfer or withdrawal through the DTC system and will not be eligible until the DTC Chill is removed. The DTC Chill affects the liquidity of the Company’s common stock and may make it difficult to purchase or sell shares in the open market because manual trading of the Company’s common stock between accounts may involve delays associated with manual stock transactions. While the Company’s management is working with DTC to take the necessary steps to remove the DTC Chill, there can be no assurance at this time that the DTC Chill will be lifted, and if lifted, how long such process will take.

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

Since April 20, 2002, the Company has entered into a number of Sponsored Research Agreements with the University of Oklahoma (“OU”) as follows:

Phase I: “Pilot Study to Investigate Digital Holography”, April 20, 2004. The Company paid OU \$14,116.

Phase II: “Investigation of 3-Dimensional Display Technologies”, April 15, 2005, as amended. The Company paid OU \$528,843.

Phase III: “3-Dimensional Display Development”. The Company made partial payment to OU by issuing 121,848 post-split equivalent shares with a market price of \$290,000 on October 14, 2008 and final payment on December 1, 2010 in the amount of \$525,481 of which \$40,481 was in cash and 1,685,714 post-split equivalent shares of Company stock (the “Shares”). The Shares are subject to an OU ‘put’ right and a 3DIcon ‘call’ right.

OU “Put” Right on the Shares

First “put” period: December 1, 2012 to November 31, 2013. If the Shares (held plus previously sold) are valued at less than \$100,000 then OU can “put” one-tenth of the Shares for \$50,000 plus accrued interest retroactive to December 1, 2012 less the value of sold shares.

Second “put” period: December 1, 2013 to November 31, 2014. If the Shares (held & previously sold) are valued at less than \$970,000 then OU can “put” the remaining Shares for \$485,000 plus accrued interest retroactive to December 1, 2012 less the value of shares previously sold or redeemed during the first “put”.

3DIcon “Call” Right on the Shares

Commencing December 1, 2012, the Company shall have the right to “call” the Shares for an amount equal to \$970,000 less the amount (if any) of prior Shares by OU including amounts “put” to 3DIcon.

The Company has presented the Shares outside of deficit in the mezzanine section of the balance sheets, as the Agreement includes a put right, which is 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.

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 \$299,984, had a start date of January 1, 2009. The Company received approval for a 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 \$-0- and \$52,649 from the grant during the three-month periods ended March 31, 2013 and 2012, respectively and \$281,492 from inception to date. The Company received approval for a no cost extension request for the second year of the contract and, with the new modification, the second year ended on August 31, 2012.

During the three-month periods ended March 31, 2013 and 2012, the Company charged operations \$-0- and \$4,890, respectively, pursuant to the direct costs incurred and for the use of the OU lab facilities in regard to the OCAST grant. At March 31, 2013, the Company owed the University \$-0- in direct costs.

Note 4 – Debentures and Notes Payable

Debentures payable consist of the following:

	March 31, 2013	December 31, 2012
Senior Convertible Debentures:		
10% Debenture due 2013	\$ 29,007	\$ 29,007
4.75% Debenture due 2014	72,115	73,665
5.0% Notes due 2013 (net of \$13,406 and \$6,167 OID)	157,326	168,833
15% Bridge notes due 2013	463,000	463,000
Total Debentures	721,448	734,505
Less - Current Maturities	(649,333)	(660,840)
Long-term Debentures	\$ 72,115	\$ 73,665

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

On December 20, 2012, the Company issued to Newton, O'Connor, Turner & Ketchum ("NOTK") a 10% convertible debenture in a principal amount of \$29,007, due June 30, 2013. NOTK may elect to convert all or any portion of the outstanding principal amount of the debenture at an exercise price of \$0.02534 per share. 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, 2012. The debenture was issued in settlement of the indebtedness.

4.75% Convertible Debenture due November 3, 2014

On November 3, 2006, the Company also issued to Golden State a 4.75% convertible debenture in a principal amount of \$100,000, due 2014, and warrants to buy 28,571 post-split equivalent shares of the common stock at an exercise price of \$381.50 per post-split share. In connection with each conversion, Golden State is expected to simultaneously exercise a percentage of warrants equal to the percentage of the principal being converted. During the year ended December 31, 2012, Golden State converted \$7,991 of the \$100,000 debenture into 9,577,906 post-split shares of common stock, exercised warrants to purchase 2,285 post-split shares of common stock at \$381.50 per share based on the formula in the convertible debenture. Additionally Golden Gate advanced \$789,111 against future exercises of warrants of which \$805,652 was applied to the exercise of warrants leaving \$1.00 of unapplied advances at December 31, 2012. During 2012, Golden State converted \$1,550 of the \$100,000 debenture into 5,409,397 post-split shares of common stock, exercised warrants to purchase 443 post-split shares of common stock at \$381.50 per share based on the formula in the convertible debenture. Additionally Golden Gate advanced \$209,950 against future exercises of warrants of which \$168,950 was applied to the exercise of warrants leaving \$41,001 of unapplied advances at March 31, 2013.

The conversion price for the 4.75% \$100,000 convertible debenture is the lesser of (i) \$4.00 (pre-split) 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 pre-split price is below \$0.02, 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.

5% Convertible Promissory Note #1

On June 6, 2012, the Company issued and sold a convertible promissory note ("Note #1") in the principal amount of \$275,000 to JMJ Financial ("JMJ"). Note #1 includes a \$25,000 original issue discount (the "OID") that will be prorated based on the advances actually paid to the Company. JMJ advanced \$50,000 and collected \$4,000 OID during 2012. During 2013, JMJ advanced an additional \$48,500 on the note and collected \$23,500 OID. Additionally, JMJ converted \$52,767 of the note into 2,400,000 shares of common stock at \$0.022 per share based on the formula in the note. In addition to the OID, Note #1 provides for a one-time interest charge of 5% to be applied to the principal sum advanced. Pursuant to the terms of Note #1, JMJ may, at its election, convert all or a part of Note #1 into shares of the Company's common stock at a conversion rate equal to the lesser of (i) \$0.35 or (ii) 70% of the lowest trade price during the twenty-five trading days prior to JMJ's election to convert. In addition, pursuant to the terms of Note #1, the Company agreed to include on the next registration statement filed by the Company with the SEC all shares issuable upon conversion of Note #1. Failure to do so will result in liquidated damages of 25% of the outstanding principal balance of Note #1. If the Company repays Note #1 on or before ninety days from the date it was issued, the interest rate will be zero percent. If the Company does not repay Note #1 on or before ninety days from the date it was issued, a one-time interest charge of 5% shall be applied to the principal sum. The company did not repay Note #1 within the ninety day period and \$2,500 of interest has been accrued. The principal of Note #1 is due one year from the date of each of the principal amounts advanced.

5% Convertible Promissory Note #2

On August 1, 2012, the Company issued and sold a convertible promissory note #2 ("Note #2") in the principal amount of \$140,000 to JMJ. Note #2 includes a \$15,000 OID that will be prorated based on the advances actually paid to the Company. JMJ advanced \$100,000 on Note #2 and collected \$8,000 OID. In addition to the OID, Note #2 provides for a one-time interest charge of 5% to be applied to the principal sum advanced. Pursuant to the terms of Note #2, JMJ may, at its election, convert all or a part of Note #2 into shares of the Company's common stock at a conversion rate equal to the lesser of (i) \$0.15 or (ii) 70% of the lowest trade price during the twenty-five trading days prior to JMJ's election to convert. In addition the Company agreed to include on the next registration statement filed by the Company with the SEC, all shares issuable upon conversion of Note #2. Failure to do so will result in liquidated damages of 25% of the outstanding principal balance of Note #2. If the Company repays Note #2 on or before ninety days from the date it was issued, the interest rate will be zero percent. If the Company does not repay Note #2 on or before ninety days from the date it was issued, a one-time interest charge of 5% shall be applied to the principal. The Company did not repay Note #2 within the ninety day period and \$5,000 of interest has been accrued. The principal of Note #2 is due one year from the date of each of the principal amounts advanced.

The Notes are subject to a Mandatory Registration Agreement (the "Agreement") whereby no later than August 31, 2012, the Company agreed to file, at its own expense, an amendment to the S-1 Registration Statement the Company filed with the SEC on July 3, 2012, to include in such Registration Statement 4,750,000 shares of common stock issuable under the Notes, (Note #1 and Note #2) as set forth below. The Company will thereafter use its best efforts to cause such Registration Statement to become effective as soon as possible after such filing but in no event later than one hundred and twenty (120) days from August 1, 2012, the date of the Agreement. Failure to have the Registration Statement declared effective within 120 days of the date of the Agreement will result in a penalty/liquidated damages of \$25,000. Any such penalties/liquidated damages will be added to the balance of either the Note #1 or the Note #2 at the Holder's discretion (under the Holder's and the Company's expectation that those penalties/liquidated damages will tack back to the date of such Note for purposes of Rule 144).

The registration was not declared effective within the 120 day period as specified in the Agreement and \$25,000 was added to the principal of Note #2.

15% Convertible Bridge Notes

On August 24, 2012, August 28, 2012 and September 11, 2012, the Company issued and sold to accredited investors Convertible Bridge Notes (the "Bridge Notes") in the aggregate principal amount of \$438,000. The note sold on September 10, 2012 was purchased by Victor Keen, a director of the Company. The Notes included a \$73,000 original issue discount. Accordingly, the Company received \$365,000 gross proceeds from which the Company paid legal fees and placement agent fees totaling \$77,700.

The Bridge Notes mature 90 days from their date of issuance and, other than the original issue discount, the Bridge Notes do not carry interest. However, in the event the Bridge Notes are not paid on maturity, all past due amounts will accrue interest at 15% per annum. Upon maturity of the Bridge Notes, the holders of the Bridge Notes may elect to convert all or any portion of the outstanding principal amount of the Bridge Notes into (i) the securities to be sold pursuant to the Registration Statement on Form S-1 and the prospectus therein, filed on July 3, 2012, or amendment thereto at the offering price of such offering; (ii) or shares of the Company's common stock at a conversion price equal to the lesser of 100% of the Volume Weighted Average Price (VWAP), as reported for the 5 trading days prior to (a) the date of issuance of the Bridge Notes, (b) the maturity date of the Bridge Notes, or (c) the first closing date of the securities sold pursuant to the Registration Statement.

In the event that the Registration Statement is not declared effective 90 days from the date of the issuance of the Bridge Notes (the "Required Effective Date"), the Company agreed to register the common stock of the Company into which the Bridge Notes are convertible. The Company agreed to bear the cost of such registration. Furthermore, if the Registration Statement is not declared effective by the Required Effective Date and the Bridge Notes are not paid in full by the Company, the Company will incur liquidated damages equal to 2% of the outstanding principal for each 30 day period after the Required Effective Date the Registration Statement is not declared effective, which amount will be increase to 3% per 30 days in the event that the Registration Statement is not declared effective within 120 days.

On January 26, 2013, the Company entered into two amendment agreements (the "Amendment Agreements") with two accredited investors, the holders of certain Convertible Bridge Notes (the "Bridge Notes") in principal amounts of \$78,000 and \$60,000, which Bridge Notes were issued by the Company on August 28, 2012 and September 10, 2012, respectively. Victor Keen, a director on the Company's Board of Directors, is a holder of the \$60,000 Bridge Note.

On or about November 26, 2012 and December 10, 2012, the Bridge Note reached their maturity dates, on which dates all past due amounts of the Bridge Notes began accruing interest at 15% per annum. Furthermore, because the shares of the Company's common stock into which the Bridge Notes are convertible were not registered under an effective registration statement (the "Registration Statement"), the holders were entitled to liquidated damages equal to 2% of the outstanding principal for each 30 day period the Registration Statement is not declared effective after the maturity of the Bridge Notes (the "Liquidated Damages").

Pursuant to the Amendments, the holders agreed to extend the maturity of the Bridge Note to April 30, 2013 and waive any and all defaults, default interest and Liquidated Damages then due to each of the holders. Upon maturity, George Widener converted the entire balance of his \$78,000 Bridge Note into 2,025,974 shares of common stock. Victor Keen extended the maturity of his Bridge Note to May 31, 2013.

Note 5 – Common Stock and Paid-In Capital

Reverse Stock Split

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. On April 27, 2012 the Company filed an Amended Certificate of Incorporation to effect a 1-for-35 reverse split of the Company's common stock. The reverse stock split was announced by Financial Industry Regulatory Authority on April 26, 2012 and became effective on April 27, 2012. On April 27, 2012, the effective date, every 35 shares of the Company's issued and outstanding common stocks were combined into one share of common stock. The Company did not issue any fractional shares in connection with the reverse stock split. Stockholders of record who otherwise would have been entitled to receive fractional shares were entitled to, upon surrender to the Company's transfer agent of certificates representing such shares, cash in lieu thereof.

Warrants issued

As of March 31, 2013, there are warrants outstanding to purchase 125,098 shares of common stock at a price of \$3.15 per share that expire on May 22, 2014 and, warrants to purchase 96,024 shares of common stock at a price of \$3.15 per share that expire on June 1, 2015. Additionally, Golden State has warrants outstanding to purchase 20,602 shares of common stock at a price of \$381.50 per share which expire December 31, 2014.

Common stock and options issued for services and liabilities

During the three-month period ended March 31, 2012, shares of common stock totaling 212,504 were issued for consulting services for which the Company recognized \$42,100 of expense. Additionally, during the period ending March 31, 2012, shares totaling 91,817 were issued to consultants for previous services provided to the Company for which the accounts payable liability was reduced by \$36,764.

Employment Agreement - On March 19, 2012 the Company announced that Sidney Aroesty would resign as CEO and join the Board of Directors.

On March 13, 2012, the Company entered into a one (1) year Agreement for At-Will Employment with Assignment of Inventions ("Employment Agreement") with Mark Willner, pursuant to which Mr. Willner began serving as the Company's Chief Executive Officer, effective immediately. Under the terms of the Employment Agreement, Mr. Willner is entitled to an annual base salary of \$180,000, and, at the discretion of the Company's Board of Directors, performance-based bonuses and/or salary increases. Pursuant to the Employment Agreement, the Company granted Mr. Willner five-year stock options to purchase 57,143 shares at a price equal to the average price of the five day period prior to March 19, 2012 which was \$0.35 (the "Strike Price"). Furthermore, since Mr. Willner remained employed by the Company at the end of each quarter ending June 30, 2012, September 30, 2012 and December 31, 2012, he received additional stock options to purchase 28,571.5 shares at the Strike Price. In addition, since the Company achieved certain quarterly business objectives, Mr. Willner received, at the end of each such quarterly period, a further grant of stock options to purchase 28,571.5 shares at the Strike Price. The estimated fair value of each of the 57,143 block of options, valued at \$18,840, was determined using the Black-Scholes option pricing model and was charged to operations in March 2012, June 2012, September 2012 and December 2012. The expected dividend yield of \$-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 163% 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.

The Employment Agreement may be terminated with or without reason by either the Company or Mr. Willner 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.

Employment Agreement - On March 16, 2012, the Company entered into a one (1) year Agreement for At-Will Employment with Assignment of Inventions ("Employment Agreement") with George Melnik, pursuant to which Mr. Melnik began serving as the Company's Senior Technical Advisor, effective immediately. Under the terms of the Employment Agreement, Mr. Melnik is entitled to an annual base salary of \$144,000, and, at the discretion of the Company's Board of Directors, performance-based bonuses and/or salary increases. Pursuant to the Employment Agreement, the Company granted Mr. Melnik five-year stock options to purchase 28,571 shares at a price equal to the average price of the five day period prior to March 16, 2012 which was \$0.35 (the "Strike Price"). Furthermore, since Mr. Melnik remained employed by the Company at the end of each quarter ending June 30, 2012, September 30, 2012 and December 31, 2012, he received additional stock options to purchase 28,571 shares at the Strike Price. In addition, since the Company achieved certain quarterly business objectives, Mr. Melnik received, at the end of each such quarterly period, a further grant of stock options to purchase 28,571 shares at the Strike Price. The estimated fair value of each of the 28,571 block of options, valued at \$9,420, was determined using the Black-Scholes option pricing model and was charged to operations in March 2012, June 2012, September 2012 and December 2012. The expected dividend yield of \$-0- is based on the average annual dividend yield as of the grant date. Expected volatility of 163% 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.

The Employment Agreement may be terminated with or without reason by either the Company or Mr. Melnik 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.

Employment Agreement - On January 28, 2013, the Board of Directors of the Company appointed Ronald Robinson to serve as the Company's Chief Financial Officer. Accordingly, the Company decided not to renew its agreement with Christopher T. Dunstan pursuant to which Mr. Dunstan served as the Company's Interim Chief Financial Officer. The Company's appointment of Mr. Robinson and decision not to renew its agreement with Mr. Dunstan was not as a result of any disagreement between the Company and Mr. Dunstan.

The following summary reflects warrant and option activity for the three-month period ended March 31, 2013:

	<u>Attached Warrants</u>	<u>Golden State Warrants</u>	<u>Options</u>
Outstanding December 31, 2012	221,122	21,045	3,045,989
Granted	-	-	-
Exercised	-	(443)	-
Cancelled	-	-	-
Outstanding March 31, 2013	<u>221,122</u>	<u>20,602</u>	<u>3,045,989</u>

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 6 – Incentive Stock Plan

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. There are currently 44,673 shares available for issuance under the 2011 EIP.

In April 2012, the Company established the 3DIcon Corporation 2012 Equity Incentive Plan (the "2012 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 2012 EIP shall not exceed five million (5,000,000) post-split shares. The shares are included in a registration statement filed May 3, 2012. Post-split shares totaling 399,949 were issued from the 2012 EIP for services rendered and to satisfy accounts payable to the Company. There are currently 2,827,537 shares available for issuance under the 2012 EIP.

Note 7 – 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 (amendment 1) to extend the expiration date to May 31, 2012. On July 24, 2012 the Lease Agreement was amended (amendment 2) to extend the expiration date to July 31, 2015. The minimum future lease payments to be paid annually under the three-year non-cancellable amended operating lease for office space are as follows:

2013		17,000
2014		23,000
2015		<u>13,000</u>
Total	\$	53,000

Note 8 – 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 March 31, 2013 and 2012, the Company incurred legal fees to Newton, O’Connor, Turner & Ketchum in the amount of \$8,203 and \$1,479, respectively.

Note 9 – Dimension Technologies Inc. - Non-Binding Letter of Intent

As previously disclosed in the Company’s Current Report on Form 8-K, filed with the SEC on July 19, 2012, on July 13, 2012, 3DIcon Corporation executed a non-binding letter of intent (the “Letter of Intent”) outlining the principal terms and conditions to acquire Dimension Technologies Inc., a privately held New York corporation (“DTI”). DTI is a developer of glasses-free flat screen 3D display technologies and products that are 2D/3D switchable. Founded in 1986, DTI’s intellectual property portfolio includes 10 patents that have been granted in multiple countries. The Letter of Intent is not binding on either party and there is no assurance that the parties will reach a definitive agreement, and if they do, there is no assurance that the conditions there under will be met to consummate the acquisition. Furthermore, if the acquisition is consummated, there is no assurance that the anticipated effects of the transaction will be realized.

In a letter to the shareholders of the Company, issued on February 20, 2013, the Company’s Chief Executive Officer, Mark Willner, provided an update on the progress the Company is making in its continued efforts to improve the performance of its CSpace technology and to seek out potential acquisitions that would allow the Company to enter the glasses-free flat screen 3D space. As previously reported, the Company entered into a non-binding letter of intent with Dimension Technologies Inc. (“DTI”) that would allow such entry into this segment of the industry. The letter to shareholders explains that the Company and DTI mutually agreed not to renew the non-binding letter of intent after a determination was made that DTI’s technology does not fit the specifics of the Company’s business model. At this time, the Company does not have any definitive agreement in place and no assurances can be made the Company will be able to consummate a transaction that would allow such entry into the glasses-free flat screen 3D space.

Note 10 – Subsequent Events

Debentures payable

Subsequent to March 31, 2013, Golden State converted \$540 of the 4.75% convertible debenture into 3,559,422 shares of common stock at \$0.0005 per share, exercised 154 warrants at \$381.50 per share and advanced \$18,530 for exercise of the warrants under the terms of the securities purchase agreements.

Subsequent to March 31, 2013, JMJ converted \$33,858 of the 5% convertible note into 3,657,305 shares of common stock at \$0.009 per share.

Subsequent to March 31, 2013, George Widener converted the entire \$78,000 Widener Bridge Note into 2,025,974 shares of common stock and Victor Keen extended the Keen Bridge Note to May 31, 2013.

On April 15, 2013, the Company completed the sale of two options to purchase 10,000,000 shares of the Company's common stock (the "Option Agreements") to two accredited investors. One of the accredited investors was Victor Keen, a director on the Board of Directors of the Company. Each of the Option Agreements provide for the option to purchase up to 10,000,000 shares of restricted common at a purchase price of \$0.01 per share. The holders of the Option Agreements may exercise the option to purchase common stock on a cashless basis. Furthermore, the holders of the Option Agreements were granted "piggyback" registration rights for the inclusion, on a subsequent registration statement, the shares of common stock underlying the Option Agreements. The gross proceeds to the Company for the sale of both Option Agreements was \$100,000. The foregoing information is a summary of each of the Option Agreements, is not complete, and is qualified in its entirety by reference to the full text of the Option Agreements, a form of which is attached as an exhibit to this Quarterly Report on Form 10-Q. Readers should review those agreements for a complete understanding of the terms and conditions associated with this transaction. In connection with these securities issuances, the Company relied upon the exemption from securities registration afforded by Section 4(2) of the Securities Act of 1933, as amended. No advertising or general solicitation was employed in offering any securities.

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:

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

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

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

On February 23, 2007, we entered into an SRA with the University, which SRA expired on March 31, 2010. Under this agreement, the University conducted a research project entitled "3-Dimensional Display Development".

In the fourth quarter of 2007 we announced the release of our first product, "Pixel Precision". On February 12, 2009, version 2.0 of Pixel Precision was released to expand its capabilities and provide new compatibility with Texas Instrument's newly released DLP® Discovery 4000 kits. This is a companion software application to the DMD Discovery line of products manufactured by Texas Instruments®.

The Oklahoma Center for the Advancement of Science and Technology 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 \$299,984, had a start date of January 1, 2009. The Company received approval for a 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 \$63,668 and \$86,323 from the grant during the years ended December 31, 2012 and 2011, respectively and \$281,492 from inception to date. The Company received approval for a no cost extension request for the second year of the contract and, with the new modification, the second year ended on August 31, 2012. The Company applied for and received the remaining \$13,029 of grant funds in 2013 that were earned through the end of the grant period, August 31, 2012.

Overview of Business

3DIcon is a small public company that is further developing a patented volumetric 3D display technology that was developed by and with the University of Oklahoma (the "University" or "OU") under a Sponsored Research Agreement. The development to date has resulted in multiple new technologies, two working laboratory prototypes (Lab Proto 1 and Lab Proto 2), and seven provisional patents; six of the seven provisional patents have been combined and converted to four utility patents. Under the Sponsored Research Agreement, the Company has obtained the exclusive worldwide marketing rights to these 3D display technologies.

On May 26, 2009, the United States Patent and Trademark Office ("USPTO") approved the pending patent called "Volumetric Liquid Crystal Display" for rendering a three-dimensional image and converted it to US patent No. 7,537,345. On December 28, 2010, USPTO approved the pending patent called "Light Surface Display for Rendering a Three-Dimensional Image," and issued the United States Patent No. 7,858,913. On August 21, 2012, the USPTO approved a continuation patent called "3D Volumetric Display" and issued the US Patent No. 8,247,755. These patents describe what we are calling our CSpace® technology ("CSpace").

At this time, we do not own any intellectual property rights in these technologies, and, apart from the Sponsored Research Agreement with the University, have no contracts or agreements pending to acquire such rights or any other interest in such rights. We plan to market the technology and the intellectual property developed by the University and our staff by targeting various industries, such as retail, manufacturing, entertainment, medical, healthcare, transportation, homeland security and the military. On April 6, 2009, we filed a provisional patent on an emissive two-dimensional screen that is controlled and driven by a standard digital light projector or other optical input source. This provisional patent is called "Flexible/Inflexible Front/Back Projection screen or display" and owned solely by 3DIcon Corporation. Through the current agreement with the University of Oklahoma, OU filed a continuation patent application on November 19, 2010, called "3D Light Surface Display". This application provides additional protections of our CSpace®™ technology.

Since March of 2012, the Company has been exploring the possibility of developing and marketing glasses-free flat screen 3D displays based on next generation glasses-free flat screen 3D display technology acquired or licensed from another company. This acquired technology and any resultant display products would be in addition to and complementary with our internally developed CSpace glasses-free volumetric 3D display technology. Recently, the company has met with multiple glasses-free flat screen 3D display companies, is in discussion with several of these companies about a potential acquisition or partnership, and is engaged in non-binding discussions to acquire one of these companies. Currently, we do not have any agreements in place that would allow such entry into the flat screen segment of the glasses-free 3D display industry and no assurances can be made, if an acquisition or partnership is consummated, that the Company could successfully bring to market such technology.

Progress on Research and Development Activities

Through a Sponsored Research Agreement with the University of Oklahoma, we have obtained the exclusive worldwide marketing rights to certain 3D display technologies under development by the University. The development to date has resulted in the University filing seven provisional patents; six of the seven provisional patents have been combined and converted to four utility patents.

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
3D Volumetric Display	3D Volumetric Display	Filed by OU in November 2011	August 2012		
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 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			

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2013 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2012

Revenue

The Company completed the OCAST grant in August 2012; therefore, we did not have OCAST earnings for the three months ended March 31, 2013. We earned \$52,649 from the OCAST grant during the three months ended March 31, 2012.

In January 2008 we launched our first software product Pixel Precision™. We appointed Digital Light Innovations for the sales and distribution of this product in March 2008. We have earned income of \$1,500 and \$-0- before commissions and costs from the sales of Pixel Precision™ for the three-months ended March 31, 2013 and March 31, 2012, respectively.

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 2013 to cover the operating expenses.

Research and Development Expenses

The research and development expenses were \$103,604 for the three months ended March 31, 2013, as compared to \$138,481 for the three months ended March 31, 2012. The net decrease was a result of the decrease in cost for engaging outside research and development consultants of approximately \$40,000 and the purchase of approximately \$10,000 R & D equipment.

General and Administrative Expenses

Our general and administrative expenses were \$263,972 for the three months ended March 31, 2013, as compared to \$294,994 for the three months ended March 31, 2012. The net decrease is due primarily to a \$20,000 increase in legal fees regarding the DTC chill in 2013, a decrease of \$18,840 in options issued to the new CEO in 2012 and a \$30,000 decrease due to the completion of management consultant contracted in early 2012.

Interest Expense

Interest expense for the three months ended March 31, 2013 was \$20,267 as compared to \$1,881 for the three months ended March 31, 2012. The net increase was a result of an increase in the amounts outstanding on our JMJ convertible notes, bridge notes and a decrease in interest costs on our 4.75% Convertible Debenture.

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, 2012, 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 \$47,885 at March 31, 2013.

We had negative working capital of \$1,079,215 at March 31, 2013.

During the three months ended March 31, 2013, we used \$253,815 of cash for operating activities, a decrease of \$47,345 or 16% compared to the three months ended March 31, 2012. The decrease in the use of cash for operating activities was a result of the reduction in the change in accounts payable and the increase in amortization of OID from our convertible notes.

There was no cash used in investing activities during the three months ended March 31, 2013 or for the three months ended March 31, 2012.

Cash provided by financing activities during the three months ended March 31, 2013 was \$300,350, a decrease of \$64,430 or 18% compared to the three months ended March 31, 2012. The decrease was the result of warrant exercise advances under the terms of our convertible debentures and notes.

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

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

On November 3, 2006, the Company issued to Golden State a 4.75% convertible debenture in a principal amount of \$100,000, due 2014, and warrants to buy 1,000,000 shares of the common stock at a pre-split exercise price of \$10.90 per share. In connection with each conversion, Golden State is expected to simultaneously exercise a percentage of warrants equal to the percentage of the principal being converted. During 2011, Golden State converted \$6,760 of the \$100,000 debenture into 60,601,868 pre-split shares of common stock, exercised warrants to purchase 67,600 pre-split shares of common stock at \$10.90 per share based on the formula in the convertible debenture. Additionally Golden State advanced \$753,381 against future exercises of warrants of which \$736,840 was applied to the exercise of warrants leaving \$16,542 of unapplied advances at December 31, 2011. During 2012, Golden State converted \$7,991 of the \$100,000 debenture into 9,577,906 post-split shares of common stock, exercised warrants to purchase 2,285 post-split shares of common stock at \$381.50 per share based on the formula in the convertible debenture. Additionally Golden State advanced \$789,111 against future exercises of warrants of which \$805,652 was applied to the exercise of warrants leaving \$1.00 of unapplied advances at December 31, 2012. During 2013, Golden State converted \$1,550 of the \$100,000 debenture into 5,409,397 post-split shares of common stock, exercised warrants to purchase 443 post-split shares of common stock at \$381.50 per share based on the formula in the convertible debenture. Additionally Golden Gate advanced \$209,950 against future exercises of warrants of which \$168,950 was applied to the exercise of warrants leaving \$41,001 of unapplied advances at March 31, 2013.

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 \$299,984, had a start date of January 1, 2009. The Company received approval for a 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 \$63,668 and \$86,323 from the grant during the years ended December 31, 2012 and 2011, respectively and \$281,492 from inception to date. The Company received approval for a no cost extension request for the second year of the contract and, with the new modification, the second year ended on August 31, 2012. The Company applied and received the remaining \$13,029 of grant funds in 2013 that were earned through the end of the grant period, August 31, 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 pre-split 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.

5% Convertible Promissory Note #1

On June 6, 2012 (the "Effective Date"), the Company issued and sold to JMJ Financial ("JMJ") a convertible promissory note ("Note #1"), which Note #1 allows the Company to request advances of principal up to its face amount of \$275,000. Note #1 includes a \$25,000 original issue discount (the "OID") that will be prorated based on the advances actually paid to the Company. On June 6, 2012, JMJ advanced \$50,000 on Note #1 and collected \$4,000 OID, bringing the principal amount borrowed by the Company of Note #1 to \$54,000. During 2013, JMJ advanced an additional \$48,500 towards Note #1 and collected \$23,500 OID. Additionally JMJ converted \$52,767 of Note #1 into 2,400,000 shares of common stock at \$0.022 per share based on the formula in Note #1. In addition to the OID, Note #1 provides for a one-time interest charge of 5% to be applied to the principal sum advanced. Pursuant to the terms of Note #1, JMJ may, at its election, convert all or a part of Note #1 into shares of the Company's common stock at a conversion rate equal to the lesser of (i) \$0.35 or (ii) 70% of the lowest trade price during the twenty-five trading days prior to JMJ's election to convert. In addition, pursuant to the terms of Note #1, the Company agreed to include on the next registration statement filed by the Company with the SEC all shares issuable upon conversion of Note #1. Failure to do so will result in liquidated damages of 25% of the outstanding principal balance of Note #1. If the Company repays Note #1 on or before ninety days from the Effective Date, the interest rate will be zero percent. If the Company does not repay Note #1 on or before ninety days from the Effective Date, a one-time interest charge of 5% shall be applied to the principal sum of \$275,000. The principal of Note #1 is due one year from the date of each of the principal amounts advanced.

5% Convertible Promissory Note #2

On August 1, 2012 (the "Note #2 Effective Date"), the Company issued and sold to JMJ a convertible promissory note #2 ("Note #2"), which Note #2 allows the Company to request advances of principal up to its face amount of \$140,000. Note #2 includes a \$15,000 original issue discount that will be prorated based on the advances actually paid to the Company. On August 1, 2012, JMJ advanced \$75,000 and collected \$9,000 OID, bringing the principal amount borrowed by the Company of Note #2 to \$84,000. No further advances were requested by or paid to the Company. In addition to the OID, Note #2 provides for a one-time interest charge of 5% to be applied to the principal sum advanced. Pursuant to the terms of Note #2, JMJ may, at its election, convert all or a part of Note #2 into shares of the Company's common stock at a conversion rate equal to the lesser of (i) \$0.15 or (ii) 70% of the lowest trade price during the twenty-five trading days prior to JMJ's election to convert. In addition, pursuant to the terms of Note #2, the Company agreed to include on the next registration statement filed by the Company with the SEC all shares issuable upon conversion of Note #2. Failure to do so will result in liquidated damages of 25% of the outstanding principal balance of Note #2. The principal of Note #2 is due one year from the date of each of the principal amounts advanced.

Note #1 and Note #2 were subject to a Mandatory Registration Agreement (the "Registration Agreement") whereby no later than August 31, 2012, the Company agreed to file, at its own expense, an amendment (the "Amendment") to the S-1 Registration Statement (the "Registration Statement") the Company filed with the SEC on July 3, 2012, to include in such Amendment 4,750,000 shares of common stock issuable under Note #1 and the Note #2. The Company agreed, thereafter, to use its best efforts to cause such Registration Statement to become effective as soon as possible after such filing but in no event later than one hundred and twenty (120) days from the date of the Registration Agreement. Since the Company failed to get the Registration Statement declared effective within the 120 days of the date of the Registration Agreement, a penalty/liquidated damages of \$25,000 was added to the balance of Note #2.

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

On December 20, 2012, the Company issued to Newton, O'Connor, Turner & Ketchum ("NOTK") a 10% convertible debenture in a principal amount of \$29,007, due June 30, 2013. NOTK may elect to convert all or any portion of the outstanding principal amount of the debenture at an exercise price of \$0.02534 per share. 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, 2012. The debenture was issued in settlement of the indebtedness.

Convertible Bridge Notes

On August 24, 2012, August 28, 2012 and September 10, 2012, the Company issued and sold to three accredited investors Convertible Bridge Notes (the "Bridge Notes") in the aggregate principal amount of \$438,000. The note sold on August 24, 2012, in principal amount of \$300,000, was purchased by GCA Strategic Investment Fund Limited, a Bermuda corporation ("GCASIF"). The note sold August 28, 2012, in principal amount of \$78,000, was purchased by George Widener. The note sold on September 10, 2012, in principal amount of \$60,000, was purchased by Victor Keen, a director of the Company.

The sale of the Bridge Notes in aggregate principal of \$438,000 included a \$73,000 original issue discount. Accordingly, the Company received \$365,000 gross proceeds from which the Company paid legal fees of \$25,000 and placement agent fees of \$27,675. The Bridge Notes mature in 90 days from their date of issuance and, other than the original issue discount, the Bridge Notes do not carry interest. However, in the event the Bridge Notes are not paid on maturity, all past due amounts will accrue interest at 15% per annum. Upon maturity of the Bridge Notes, the holders of the Bridge Notes may elect to convert all or any portion of the outstanding principal amount of the Bridge Notes into (i) securities sold pursuant to an effective registration statement at the applicable offering price; or (ii) shares of common stock at a conversion price equal to the lesser of 100% of the Volume Weighted Average Price (VWAP), as reported for the 5 trading days prior to (a) the date of issuance of the Bridge Notes, (b) the maturity date of the Bridge Notes, or (c) the first closing date of the securities sold pursuant to an effective registration statement.

On December 21, 2012, the Company entered into an amendment agreement (the "GCASIF Amendment") with GCASIF, the holder of that certain Convertible Bridge Note (the "GCA Bridge Note") in the principal amount of \$300,000.

The GCA Bridge Note matured on or about November 22, 2012, on which date all past due amounts of the GCA Bridge Note began accruing interest at 15% per annum. Furthermore, on November 22, 2012, because the shares of the Company's common stock into which the GCA Bridge Note is convertible were not registered under an effective registration statement (the "Registration Statement"), GCASIF was entitled to liquidated damages equal to 2% of the outstanding principal for each 30 day period after the November 22, 2012 the Registration Statement is not declared effective (the "Liquidated Damages").

Pursuant to the GCASIF Amendment, GCASIF agreed to extend the maturity of the GCA Bridge Note from November 22, 2012 to March 21, 2013 and the Company agreed to (i) increase the principal amount of the GCA Bridge Note from \$300,000 to \$325,000; (ii) amend the conversion price of the GCA Bridge Note to the lesser of \$0.04, or 100% of the Volume Weighted Average Price, as reported by Bloomberg, L.P., for the 5 trading days prior to the effective date of the Registration Statement; and (iii) grant additional registration rights to GCASIF from 5,172,414 shares to 8,000,000 shares of the Company's common stock into which the GCA Bridge Note may be convertible. Furthermore, GCASIF agreed to waive any and all defaults, default interest and the Liquidated Damages due to GCASIF. In connection with the GCASIF Amendment, the Company agreed to pay GCASIF a fee of \$20,000. Subsequent to March 21, 2013, GCASIF agreed to waive any defaults resulting from the non-payment of the GCA Bridge Note, so long as, GCASIF is paid in full by April 15, 2013 or GCASIF elects to convert the GCA Bridge Note into shares of the Company's common stock on or before April 15, 2013.

On January 26, 2013, the Company entered into an amendment agreement (the "Widener Amendment") with George Widener, the holder of that certain Convertible Bridge Note (the "Widener Bridge Note") in the principal amount of \$78,000 issued by the Company on August 30, 2012.

The Widener Bridge Note matured on or about November 26, 2012, on which date all past due amounts of the Widener Bridge Note began accruing interest at 15% per annum. Pursuant to the Widener Amendment, Mr. Widener agreed to extend the maturity date of the Widener Bridge Note from November 26, 2012 to April 30, 2013 and to waive any and all defaults, default interest and Liquidated Damages then due to Mr. Widener. Subsequent to April 30, 2013, Mr. Widener converted the entire \$78,000 balance of the Widener Bridge Note into 2,025,974 shares of common stock.

On January 26, 2013, the Company entered into an amendment agreement (the "Keen Amendment") with Victor F. Keen, the holder of that certain Convertible Bridge Note (the "Keen Bridge Note") in the principal amount of \$60,000 issued by the Company on September 10, 2012.

The Keen Bridge Note matured on or about December 10, 2012, on which date all past due amounts of the Keen Bridge Note began accruing interest at 15% per annum. Pursuant to the Keen Amendment, Mr. Keen agreed to extend the maturity date of the Keen Bridge Note from December 10, 2012 to April 30, 2013 and to waive any and all defaults, default interest and Liquidated Damages then due to Mr. Keen. Subsequent to April 30, 2013, Mr. Keen agreed to waive any defaults for non-payment of the Keen Bridge Note or failure to issue shares of our common stock upon conversion until such time as the Company has filed its first 2013 quarterly report.

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

Subsequent to March 31, 2013, Golden State converted \$540 of the 4.75% convertible debenture into 3,559,422 shares of common stock at \$0.00015 per share, exercised 154 warrants at \$381.50 per share and advanced \$18,530 for exercise of the warrants under the terms of the securities purchase agreements.

Subsequent to March 31, 2013, JMJ converted \$33,858 of the 5% convertible note into 3,657,305 shares of common stock at \$0.009 per share.

Subsequent to March 31, 2013, George Widener converted the entire \$78,000 Widener Bridge Note into 2,025,974 shares of common stock and Victor Keen extended the Keen Bridge Note to May 31, 2013.

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 March 31, 2012, 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.

During three-month period ended March 31, 2013, Golden State converted \$1,550 of the \$100,000 debenture into 5,409,397 post-split shares of common stock, exercised warrants to purchase 443 post-split shares of common stock at \$381.50 per share based on the formula in the convertible debenture. Additionally Golden Gate advanced \$209,950 against future exercises of warrants of which \$168,950 was applied to the exercise of warrants leaving \$41,001 of unapplied advances at March 31, 2013.

During three-month period ended March 31, 2013, JMJ advanced an additional \$25,000 on Note #1 and collected \$23,500 OID. Additionally JMJ converted \$52,767 of Note #1 into 2,400,000 shares of common stock at \$0.022 per share based on the formula in Note #1.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosure.

None.

Item 5. Other Information.

On April 15, 2013, the Company completed the sale of two options to purchase 10,000,000 shares of the Company's common stock (the "Option Agreements") to two accredited investors. One of the accredited investors was Victor Keen, a director on the Board of Directors of the Company. Each of the Option Agreements provide for the option to purchase up to 10,000,000 shares of restricted common at a purchase price of \$0.01 per share. The holders of the Option Agreements may exercise the option to purchase common stock on a cashless basis. Furthermore, the holders of the Option Agreements were granted "piggyback" registration rights for the inclusion, on a subsequent registration statement, the shares of common stock underlying the Option Agreements. The gross proceeds to the Company for the sale of both Option Agreements was \$100,000. The foregoing information is a summary of each of the Option Agreements, is not complete, and is qualified in its entirety by reference to the full text of the Option Agreements, a form of which is attached as an exhibit to this Quarterly Report on Form 10-Q. Readers should review those agreements for a complete understanding of the terms and conditions associated with this transaction.

In connection with the securities issuances reported in this Item, the Company relied upon the exemption from securities registration afforded by Section 4(2) of the Securities Act of 1933, as amended. No advertising or general solicitation was employed in offering any securities.

Item 6. Exhibits.

Exhibit

Number Description of Exhibit

- 10.1 Form of Option Agreements
- 31.1 Certifications required by Rule 13a-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certifications 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 Principal Accounting Officer pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101.INS** XBRL Instance

101.SCH** XBRL Taxonomy Extension Schema

101.CAL** XBRL Taxonomy Extension Calculation

101.DEF** XBRL Taxonomy Extension Definition

101.LAB** XBRL Taxonomy Extension Labels

101.PRE** XBRL Taxonomy Extension Presentation

** In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013 shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

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

Date: May 15, 2013

/s/ Mark Willner

Name: Mark Willner
Title: Chief Executive Officer
(Principal Executive Officer)

/s/ Ronald Robinson

Name: Ronald Robinson
Title: Chief Financial Officer
(Principal Financial Officer)

Number of Shares: 10,000,000*

Date of Grant: April __, 2013

**OPTION TO PURCHASE SHARES
OF COMMON STOCK**

THIS CERTIFIES THAT, for value received, _____ or his assignee, if any, (collectively, the “**Holder**”) is entitled to purchase from 3DIcon Corporation, an Oklahoma corporation (the “**Company**”), Ten Million and 00/100 (10,000,000) shares of the fully paid and nonassessable, restricted Rule 144 common stock (as adjusted from time to time pursuant to the provisions of this Option) (the “**Shares**”) of the Company on the following terms and conditions and for the price set forth in this Option during the period commencing on the “**Date of Grant**”, as shown above, and continuing for the Option Period, as defined herein.

The price for this Option is \$50,000 (the “**Option Price**”), which is due to the Company on the Date of Grant.

The stock purchase right represented by this Option may be exercised by Holder from time to time, in part or in whole, and only during the period between the Date of Grant of this Option and April 15, 2018 (the “**Option Period**”). The price to be paid for the Shares to be purchased under this Option shall be \$.01 per share (the “**Option Exercise Price**”).

This Option shall be exercised by delivery to the Company of (a) written notice of exercise stating the number of Shares being purchased (in whole shares only) and such other information as is set forth on the form of the “**Notice of Exercise**” attached hereto as Exhibit A, (b) a check or cash in the amount of the Option Exercise Price of the Shares covered by the notice, and (c) the written investment representation as provided for herein. Notwithstanding any term, covenant or condition to the contrary contained in this Option, this Option may be exercised by presentation and surrender of this Option to the Company at its principal executive offices with a written notice of Holder’s intention to effect a cashless exercise, including a calculation of the number of shares of Common Stock to be issued upon such exercise in accordance with the terms hereof (a “**Cashless Exercise**”). In the event of a Cashless Exercise, in lieu of paying the Option Exercise Price in cash, Holder shall surrender this Option for that number of shares of Common Stock determined by multiplying the number of Shares to which Holder would otherwise be entitled by a fraction, the numerator of which shall be the difference between the then current Market Price, as defined herein, per share of the Common Stock and the Option Exercise Price, and the denominator of which shall be the then current Market Price per share of Common Stock. For example, if Holder is exercising 1,000,000 Options with a per Option exercise price of \$0.01 per share through a cashless exercise when the Common Stock’s current Market Price per share is \$.50 per share, then upon such Cashless Exercise Holder will receive 980,000 shares of Common Stock. Market Price is defined as the average of the last reported sale prices on the principal trading market for the Common Stock during the five (5) trading days immediately preceding such date.

Holder represents and agrees that if Holder exercises this Option in whole or in part, Holder will in each case acquire the Shares upon such exercise for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Holder shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. If the Shares represented by this Option are registered under the Securities Act, either before or after the exercise of this Option in whole or in part, Holder shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

Holder further represents that Holder has had access to the financial statements or books and records of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information.

Unless and until the Shares represented by this Option are registered under the Securities Act, all certificates representing the Shares and any certificates subsequently issued in substitution therefor and any certificate for any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE 'SECURITIES ACT') OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM,

and such other legend or legends as the Company and its counsel deem necessary or appropriate.

Within twenty days of the surrender of this Option and delivery to the Company of a Notice of Exercise of Option, the Company shall deliver to Holder the certificate representing the Shares, free from all liens and charges, and duly endorsed to Holder. The Shares issued upon the exercise of this Option will, upon issuance pursuant to the terms and conditions herein, be duly authorized, validly issued, fully paid and nonassessable.

If the Company at any time while this Option remains outstanding and unexpired shall split, subdivide or combine the securities as to which purchase rights under this Option exist, into a different number of securities of the same class, the number of shares covered by this Option shall be proportionately decreased or increased in the case of a split, subdivision or combination, effective at the close of business on the date the split, subdivision or combination becomes effective.

The rights applicable to the Shares purchasable hereunder are set forth in the Company's Certificate of Incorporation, as amended through the Date of Grant, a true and complete copy of which has been supplied to Holder, and as the Certificate may be later amended. The Company shall promptly provide Holder with any restatement, amendment, modification or waiver of the Certificate of Incorporation promptly after the same has been made.

No holder of this Option, by virtue of this Option alone, shall be entitled to vote or receive dividends or be deemed the holder of the Shares for any purpose, nor shall any provision contained herein be construed to confer upon the holder of this Option, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Option shall have been exercised as provided herein and the Shares purchasable upon the exercise hereof shall have become deliverable, as provided herein. Each party shall bear its respective tax consequences of the grant or exercise of this Option. This is a non-qualified option.

If at any time the Company shall decide to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of 1933, as amended (the "Securities Act") of any of its equity securities, other than on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the existing or future stock option or other employee benefit plans, then the Company shall send to Holder a written notice of such determination and, if within fifteen days after the date of such notice, Holder shall so request in writing, the Company shall include in such registration statement, the underlying shares of the Option to Purchase Shares of Common Stock ("Option") granted April 15, 2013 by the Company to Holder (collectively, the "Registrable Securities") which Holder requests to be registered; provided, however, that, the Company shall not be required to register any Registrable Securities pursuant to this Section that are eligible for resale without restriction pursuant to Rule 144 promulgated under the Securities Act or that are the subject of a then effective registration statement; provided, further, however,:

a) if the registration statement is an offering to be made on a continuous basis pursuant to Rule 415 and is not on a Form S-3, and the Commission advises the Company that all of the Registrable Securities which Holder has requested to be registered may not be included under Rule 415(a)(i), then the number of Registrable Securities to be registered shall be reduced to an amount to which is permitted by the Commission for resale under Rule 415; and

b) if the registration so proposed by the Company involves an underwritten offering of the securities so being registered for the account of the Company, to be distributed by or through one or more underwriters of recognized standing, and the managing underwriter of such underwritten offering shall advise the Company in writing that, in its opinion, the distribution of all or any specified portion of the Registrable Securities which Holder has requested the Company to register and otherwise concurrently with the securities being distributed by such underwriters will materially and adversely affect the distribution of such securities by such underwriters, then the Company shall not be required to register any shares under the Option.

This Option and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

Any notice, request, communication or other document required or permitted to be given or delivered to Holder or the Company shall be delivered or sent by certified or registered mail, postage prepaid, to Holder at the address on the records of the Company on the date of same or to the Company at 6804 South Canton Avenue; Suite 150, Tulsa, OK 74136, Tulsa, Oklahoma.

Time is of the essence of this Option. This Option shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Oklahoma without regard to its conflicts of law principles. Holder and the Company submit to the exclusive jurisdiction of the federal and state courts sitting in Tulsa, Oklahoma, for any action relating to this Option.

In case any one or more of the covenants and agreements contained in this Option shall have been breached, Holder (in the case of a breach by the Company), or the Company (in the case of a breach by Holder), may proceed to protect and enforce its rights by suit in equity and by action at law, including, but not limited to, an action for damages as a result of any such breach and an action for specific performance of any such covenant or agreement contained in this Option. In the event an action or proceeding is brought to enforce any provision of this Option, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs from the other party.

This Option constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and undertakings of the parties, whether oral or written, with respect to such subject matter. There are no third party beneficiaries of this Option.

3DIcon Corporation

By _____
Mark G. Willner, President

Exhibit A

NOTICE OF EXERCISE

3DICON CORPORATION

Re: Nonstatutory Stock Option

1) Notice is hereby given pursuant to my Nonstatutory Stock Option issued on April 15, 2013, that I elect to purchase the number of shares set forth below at the exercise price set forth in my Option:

Nonstatutory Stock Option Agreement dated: April 15, 2013.

Number of shares being purchased: _____

Exercise Price: \$0.01/share

A check in the amount of the aggregate price of the shares being purchased is attached.

OR

2) I elect a cashless exercise pursuant to my Nonstatutory Stock Option. The Average Market Price as of _____ was \$_____.

I hereby confirm that such shares are being acquired by me for my own account for investment purposes, and not with a view to, or for resale in connection with, any distribution thereof. I will not sell or dispose of my Shares in violation of the Securities Act of 1933, as amended, or any applicable federal or state securities laws. Further, I understand that the exemption from taxable income at the time of exercise is dependent upon my holding such stock for the periods prescribed by the laws of the United States and of any applicable State.

I understand that the certificate representing the Option Shares will bear a restrictive legend within the contemplation of the Securities Act and as required by such other state or federal law or regulation applicable to the issuance or delivery of the Option Shares.

I agree to provide to the Company such additional documents or information as may be required by the Company in connection with this exercise of my Option.

By: _____
(signature)

Name: _____

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

I, Mark Willner, 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: May 15, 2013

By: /s/ Mark Willner
Mark Willner
Chief Executive Officer

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

I, Ronald Robinson, 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: May 15, 2013

By: /s/ Ronald Robinson
Ronald Robinson
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 March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark Willner, 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: May 15, 2013

By: /s/ Mark Willner

Mark Willner
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 March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald Robinson, 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: May 15, 2013

By: /s/ Ronald Robinson
Ronald Robinson
Chief Financial Officer
