UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-K

(Mark One)

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES ACT OF 1934**

FOR THE FISCAL YEAR ENDED MARCH 31, 2009

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from __________ to __________

Commission File Number: 000-51578

CRYOPORT, INC.

(Exact name of small business issuer as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	**88-0313393** (I.R.S. Employer Identification No.)
20382 Barents Sea Circle, Lake Forest, California (Address of principal executive offices)	**92630** (Zip Code)

(949) 470-2300
(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act:

Title of each class	Title of each exchange on which registered
Common Stock, $.001 par value	**OTC Bulletin Board**

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, $.001 par value
(Title of class)

Indicate by check mark if the registrant is well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 month (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 þ 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 (§ 229.405 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 o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, a non-accelerated filer, or a smaller reporting company See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company	Smaller reporting company þ

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

The market value of the voting stock held by non-affiliates of the issuer as of September 30, 2008 (most recently completed second fiscal quarter) was approximately $16,154,188.

As of June 27, 2009 the Company had 43,913,830 shares of its $0.001 par value common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Inapplicable.

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PART I

In this Annual Report on Form 10-K the terms "CryoPort", "Company" and similar terms refer to CryoPort, Inc., and its wholly owned subsidiary CryoPort Systems, Inc.

SAFE HARBOR FOR FORWARD LOOKING STATEMENTS:

THE COMPANY HAS MADE SOME STATEMENTS IN THIS ANNUAL REPORT ON FORM 10-K, INCLUDING SOME UNDER "DESCRIPTION OF BUSINESS", "RISK FACTORS" AND "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS," AND ELSEWHERE, WHICH ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS MAY DISCUSS THE COMPANY'S FUTURE EXPECTATIONS, CONTAIN PROJECTIONS OF ITS PLAN OF OPERATION OR FINANCIAL CONDITION OR STATE OTHER FORWARD-LOOKING INFORMATION. IN THIS ANNUAL REPORT ON FORM 10-K, FORWARD-LOOKING STATEMENTS ARE GENERALLY IDENTIFIED BY WORDS SUCH AS "ANTICIPATE", "PLAN", "BELIEVE", "EXPECT", "ESTIMATE", AND THE LIKE. FORWARD-LOOKING STATEMENTS INVOLVE FUTURE RISKS AND UNCERTAINTIES, AND THERE ARE FACTORS THAT COULD CAUSE ACTUAL RESULTS OR PLANS TO DIFFER MATERIALLY FROM THOSE EXPRESSED OR IMPLIED BY THE STATEMENTS. THE FORWARD LOOKING INFORMATION IS BASED ON VARIOUS FACTORS AND IS DERIVED USING NUMEROUS ASSUMPTIONS. A READER, WHETHER INVESTING IN THE COMPANY'S SECURITIES OR NOT, SHOULD NOT PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH APPLY ONLY AS OF THE DATE OF THIS ANNUAL REPORT ON FORM 10-K. IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS TO DIFFER FROM PROJECTIONS INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING:

- THE SUCCESS OR FAILURE OF MANAGEMENT'S EFFORTS TO IMPLEMENT THE COMPANY'S PLAN OF OPERATIONS;
- THE COMPANY'S ABILITY TO FUND ITS OPERATING EXPENSES;
- THE COMPANY'S ABILITY TO COMPETE WITH OTHER COMPANIES THAT HAVE A SIMILAR PLAN OF OPERATION;
- THE EFFECT OF CHANGING ECONOMIC CONDITIONS IMPACTING THE COMPANY'S PLAN OF OPERATION; AND
- THE COMPANY'S ABILITY TO MEET THE OTHER RISKS AS MAY BE DESCRIBED IN ITS FUTURE FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION.

THE COMPANY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

PART I

ITEM 1. BUSINESS.

Cryoport, Inc. (the"Company") is a frozen shipping container company, involved in the global movement of biological specimens for the life science industry at temperatures below zero centigrade. During the early years of the Company our limited revenue were derived from the sale of our reusable product line. The Company's current business plan focuses on a shipping container that will used by the Company to provide a simple shipping solution to life science companies moving pharmaceutical and biological samples in clinical trials and pharmaceutical distribution.

Overview:

The Company is focused on providing a solution for the frozen shipping market in the growing global biotechnology and pharmaceutical industries. The Company's business model includes delivering a reliable and cost effective frozen shipping solution, the CryoPort Express™ System, utilizing the Company's newly developed product line, the CryoPort Express™ Shippers, for the frozen or cryogenic transport of biological materials. These materials include live cell pharmaceutical products; e.g., cancer vaccines, diagnostic materials, reproductive tissues, infectious substances and other items that require continuous exposure to frozen or cryogenic temperatures (less than -150°C). The Company's mission is to provide a reliable and cost effective transport and packaging solutions for the transportation of biological or pharmaceutical materials requiring, or benefiting from, frozen or cryogenic temperatures.

The Company currently occupies approximately 12,000 square feet of manufacturing and office space in Lake Forest, California and has eight full-time employees and consultants and four part-time consultants.

History:

The Company was originally incorporated under the name G.T.5-Limited ("GT5") on May 25, 1990 as a Nevada Corporation. Upon completion of a Share Exchange Agreement, on March 15, 2005 the Company changed its name to Cryoport, Inc. and acquired all of the issued and outstanding shares of Cryoport Systems, Inc. in exchange for 24,108,105 shares of its common stock (which represented approximately 81% of the total issued and outstanding shares of common stock following the close of the transaction). Cryoport Systems, Inc, originally formed in 1999 as a California limited liability company and reorganized into a California corporation on December 11, 2000, remains the operating company under Cryoport, Inc.

Our Products

The Company's Current Product Line:

The CryoPort Express™ System.

The Company is commencing the full commercialization of the CryoPort Express™ System which is focused on improving the reliability of frozen shipping while reducing the customers' overall operating costs. The CryoPort Express™ System provides a simple, effective solution for the frozen or cryogenic transport of biological or pharmaceutical materials using a web-based order-entry system, which manages the scheduling and shipping of the CryoPort Express™ Shippers, a line of multiple size, cryogenic dry vapor shippers. This line of shippers is capable of maintaining cryogenic temperatures of minus 150 centigrade or less, for 10+ days.

A dry cryogenic shipper is a device that uses liquid nitrogen which is contained inside a vacuum insulated bottle as a refrigerant to provide storage temperatures below minus 150° centigrade. The CryoPort dry shipper is designed such that there can be no pressure build up as the liquid nitrogen evaporates, or spillage of liquid nitrogen. A proprietary foam retention system is employed to ensure that liquid nitrogen stays inside the vacuum container, allowing the shipper to be designated as a dry shipper which meets the International Air Transport Association, ("IATA") requirements. Biological or pharmaceutical specimens are stored in a "well" inside the container and refrigeration is provided by cold nitrogen gas evolving from the liquid nitrogen entrapped within the foam retention system. Specimens transported using the cryogenic shipper can include live cell pharmaceutical products; e.g., cancer vaccines, diagnostic materials, semen and embryos, infectious substances and other items that require continuous exposure to frozen or cryogenic temperatures (lower than - -150°C).

The technology underlying the CryoPort Express™ Shipper was developed by modifying and advancing technology from the Company's previous line of reusable cryogenic dry shippers, which the Company historically developed, manufactured and sold to customers. In order to focus resources on the development of the new CryoPort Express™ Shippers, the Company discontinued actively selling the reusable shippers in fiscal 2007, although minimal sales continued until the line was discontinued this past fiscal year. The new CryoPort Express™ Shippers are manufactured from alternative, lower cost materials, which will reduce overall operating costs and we have developed a new business model that simplifies the shipping process for our potential customer companies that does not require the purchase of the expensive containers.

The Company's production and manufacturing incorporates innovative technologies developed for aerospace and other industries to develop products that are more cost effective, easier to use and more functional than the traditional dry ice devices and other methods currently used for the shipment of temperature-sensitive materials.

The CryoPort Express™ Shippers share many of the characteristics and basic design details of the currently available reusable products. The expected shared characteristics include general geometry and shape, similar liquid capacities and similar thermal performance characteristics. As a result, much of the market experience gained from the sale of these products is directly relevant to the usage characteristics of the CryoPort Express™ System and the CryoPort Express™ Shippers. The CryoPort Express System offers two sizes of shippers based on the market requirements. The Company maintains ongoing development related to the shippers and is principally focused on material properties, particularly those properties related to the low temperature requirement, the vacuum retention characteristics; i.e., permeability of the materials and lower cost materials based on meeting the market needs for achieving a lower cost frozen and cryogenic shipping solution. Other advances additional to the development work on the cryogenic container include both an improved liquid nitrogen retention system and a secondary protective, spill proof packaging system. This secondary system, outer packaging has a low cost that lends itself to disposability, and it is made of recyclable materials. Further, it adds an additional liquid nitrogen retention capability to further assure compliance with IATA and ICAO regulations that prohibit egress of liquid nitrogen from the shipping package.

The CryoPort Express™ Shippers are currently being manufactured at the Company's Lake Forest, California facility. This shipper is IATA certified for the shipment of Class 6.2 Dangerous Goods. This shipper may be used where packaging of the biological material need not comply with IATA Packing Instructions 602 or 650. The shipper may be utilized for the shipment of specimens for diagnosis, treatment or evaluation of disease that must conform to the IATA 650 packaging standards.

These shippers are lightweight, low-cost, re-usable vapor phase liquid nitrogen storage containers that combine the best features of packaging, cryogenics and high vacuum technology. The shipper is composed of an aluminum metallic dewar flask, with a well for holding the biological material in the inner chamber. A dewar flask, or "thermos bottle," is an example of a practical device in which the conduction, convection and radiation of heat are reduced as much as possible. A high surface, low density open cell plastic foam material surrounds the inner chamber for retaining the liquid nitrogen in-situ by absorption, adsorption and surface tension. Absorption is defined as the taking up of matter in bulk by other matter, as in dissolving of a gas by a liquid, whereas adsorption is the surface retention of solid, liquid or gas molecules, atoms or ions by a solid or liquid. This material absorbs LN_2 up several times faster than currently used materials, while providing the shipper with a hold time and capacity to transport biological materials safely and conveniently. The annular space between the inner and outer Dewar chambers is evacuated to a very high vacuum (10^{-6} Torr). The specimen-holding chamber has a primary cap to enclose the specimens, and a removable and replaceable secondary cap to further enclose the specimen holding container and to contain the LN_2. The entire Dewar vessel is then wrapped in a plurality of insulating and cushioning materials and placed either in a disposable outer packaging made of recyclable material.

The Company believes the above product configuration satisfies the needs of the markets that require the temperature-critical, frozen and refrigerated transport of biological materials, such as pharmaceutical clinical trials, gene biotechnology, infectious materials handling, and animal and human reproduction. Due to the Company's unique proprietary technology and innovative design, its shippers are less prone to losing functional hold time when not kept in an upright position than the competing products.

An important feature of the CryoPort Express™ Shippers is their compliance with the stringent packaging requirements of IATA Packing Instructions 602 and 650, respectively. These instructions include the internal pressure (hydraulic) and drop performance requirements.

Biological Material Holders for Infectious and Dangerous Goods. The Company has also developed a patented containment bag which is used in connection with the shipment of infectious or dangerous goods using the CryoPort Express™ Shipper. Up to five vials, watertight primary receptacles, are placed onto aluminum holders and up to fifteen holders (75 vials) are placed into an absorbent pouch, designed to absorb the entire contents of all the vials in the event of leakage. This pouch containing up to 75 vials is then placed in a watertight secondary packaging plastic bag capable of withstanding cryogenic temperatures, and then sealed. This entire package is then placed in a unique, patented, secondary containment bag, which is a plastic film based material, critical to the function of the overall cryogenic package. These bags use a pressure-sensitive adhesive closure much like a common overnight courier envelope. As a result, these bags are inherently disposable, one-use-only. This bag is then placed into the well of the cryogenic shipper.

The Company's Future Products:

The Company's continuing R&D efforts are expected to lead to the introduction of additional units including larger and smaller size units constructed of lower cost materials and utilizing high volume manufacturing methods that will make it practical to provide the cryogenic packages offered by the CryoPort Express™ System.

The Company plans further research and development efforts to continually improve the features of the CryoPort Express™ System and the CryoPort Express™ Shippers and to further enable both higher mass manufacturing and additional cost reduction opportunities.

Our Strategy:

The Company's present objective is to leverage its proprietary technology and developmental expertise to design, develop, manufacture and sell frozen shipping devices. The key elements of its strategy include::

- To provide a simple, one-call solution for customers that manages the scheduling and shipping for frozen or cryogenic transport of biological or pharmaceutical sample and drug materials

- To make the use of the frozen shipping solution cost effective

- To provide a "green" solution that eliminates the greenhouse gases from dry ice (solid carbon dioxide) and eliminates the need for Syrofoam lined boxes which cannot go in landfills in many states

Expand the Company's product offerings to address growing markets. Given the need for a temperature-sensitive shipping device that can cost effectively be used, the Company is continuing the development of the CryoPort Express™ System, which utilizes a shipping device that meets the temperature requirements during the transit time, eliminates the customer's need to dispose of the shipper, and eliminates the costs associated with retrieving, disposing of or re-icing the package while in transit, plus the costs associated with maintaining and managing an inventory of shippers, as well as significantly minimizes loss of specimen viability during the shipping process. The Company continues to develop the CryoPort Express™ System , specifically the web-based order placement system and the sizes and features of the CryoPort Express Shippers™ based on market needs.

Expand the Company's marketing and distribution channels. The Company's products serve the shipping needs of companies across a broad spectrum of industries on a growing international level. It is the Company's goal to establish those contacts necessary to achieve a broader distribution of its products.

Establish strategic partnerships. In order to expedite the Company's time to market and increase its market presence, the Company is currently negotiating to establish strategic alliances to facilitate the manufacture, promotion and distribution of its products, including plans to establish alliances with shipping container manufacturers (both cryogenic and dry ice), integrated express companies, and freight forwarding companies.

Sales and Marketing:

The Company currently has an internal sales person who manages both its direct sales efforts and its limited third party resellers, which include Miller Supply, Air Liquide and Tegrant. The Company's current distribution channels cover the Americas, Europe and Asia. During the year ended March 31, 2009 the distributor, Miller Supply, accounted for 18% of the Company's overall sales volumes. These sales were in the Company's shipping accessories and the reusable shippers that were discontinued during the past fiscal year.

The Company's geographical sales for the year ended March 31, 2009 were as follows:

USA	81.4%
Europe	17.8%
Canada	0.8%

Customer Base:

The Company believes that the primary customers for the CryoPort Express™ System are concentrated in the following markets for the following reasons:

- Pharmaceutical clinical trials
- Gene biotechnology
- Transport of infectious materials and dangerous goods
- Diagnostics
- Government laboratories
- Pharmaceutical distribution
- Human assisted reproduction/artificial insemination

Pharmaceutical Clinical Trials. Every pharmaceutical company developing a new drug that must be approved by the Food and Drug Administration conducts clinical trials to, among other things, test the safety and efficacy of the potential new drug. In connection with the clinical trials, the companies may enroll patients from all over the world who regularly submit a blood or other specimen at the local hospital, doctor's office or laboratory. These samples are then sent to the specified testing laboratory, which may be local or in another country. The testing laboratories will typically set the requirements for the storage and shipment of blood specimens. In addition, several of the drugs used by the patients require frozen shipping to the sites of the clinical trials. While both domestic and international shipping of these specimens is accomplished using dry ice today, international shipments especially present several problems, as dry ice, under the best of circumstances, can only provide freezing for up to 36 hours, in the absence of re-icing (which is quite costly). Because shipments of packages internationally can be delayed for more than 36 hours due to flight cancellations, incorrect destinations, labor problems, ground logistics, customs and safety reasons, dry ice is not always a reliable and cost effective option. Clinical trial specimens are often irreplaceable because each one represents data at a prescribed point in time, in a series of specimens on a given patient, who may be participating in a trial for years. Sample integrity during the shipping process is vital to retaining the maximum number of patients in each trial. The Company's shippers are ideally suited for this market, as the hold time provided by its shipper ensures that specimens can be sent over long distances with minimal concern that they will arrive in a condition that will cause their exclusion from the trial. There are also many instances in domestic shipments where the CryoPort Express shipper will provide higher reliability and be cost effective.

Furthermore, the IATA requires that all airborne shipments of laboratory specimens be transmitted in either IATA 650 or 602 certified packaging. The Company has developed and obtained IATA certification of the CryoPort Express™ System, it is ideally suited for this market, in particular due to the elimination of the cost to return the reusable shipper.

Transport of Infectious Materials and Dangerous Goods. The transport of potentially infectious materials demands strict adherence to regulations that protect public safety while maintaining the viability of the material being shipped. All blood products are considered to be potentially infective and must be treated as such. Pharmaceutical companies, private research laboratories and hospitals ship tissue cultures and microbiology specimens, which are also potentially infectious materials, between a variety of entities, including private and public health reference laboratories. Almost all specimens in this infectious materials category require either a refrigerated or frozen environment. The Company has developed the CryoPort Express™ Shipper to meet the shipping requirements of this market.

Partly in response to the attack on the World Trade Center and the anthrax scare, government officials and health care professionals are focusing renewed attention on the possibility of attacks involving biological and chemical weapons such as anthrax, smallpox and sarin gas. Efforts expended on research and development to counteract biowarfare agents requires the frozen transport of these agents to and from facilities conducting the research and development. Vaccine research, including methods of vaccine delivery, also requires frozen transport. The Company's CryoPort Express™ Shipper is suited to this type of research and development.

Pharmaceutical Distribution. The current focus for the CryoPort Express™ System also includes the area of pharmaceutical distribution. There are a significant number of therapeutic drugs and vaccines currently or soon to be, undergoing clinical trials. After the FDA approves them for commercial distribution, it will be necessary for the manufacturers to have a reliable and economical method of distribution to the physician who will administer the product to the patient. Although there are not now a large number of drugs, there are a substantial number in the development pipeline. It is likely that the most efficient and reliable method of distribution will be to ship a single dosage to the administering physician. These drugs are typically identified to individual patients and therefore will require a complete tracking history from the manufacturer to the patient. The most reliable method of doing this is to ship a unit dosage specifically for each patient. Because the drugs require maintenance at frozen or cryogenic temperatures, each such shipment will require a frozen or cryogenic shipping package. The Company anticipates being in a position to service that need.

Assisted Human Reproduction. According to The Wall Street Journal, January 6, 2000 issue, 30,000 infants are born annually in the United States through artificial insemination and according to Department of Health statistics, 10 million Americans annually are affected by infertility problems. It is estimated that this represents at least 50,000 doses of semen. Since relatively few sperm banks provide donor semen, frozen shipping is almost always involved. As with animal semen, human semen must be stored and shipped at cryogenic temperatures to retain viability, to stabilize the cells and to ensure reproducible results. This can only be accomplished with the use of liquid nitrogen or LN_2 dry vapor shippers. The Company anticipates that this market will continue to increase as this practice gains acceptance in new areas of the world.

Competition:

Within the Company's intended markets for the CryoPort Express™ System, there is limited known competition. The Company intends to become competitive by reason of improved technological in its products and through the use of its business model facilitating simple one-call by customers process to achieve effective frozen shipping compared to today's complicated and expensive use of dry ice. The traditional suppliers, Chart Industries, Taylor Wharton, and Air Liquide have various models of dry shippers available that sell at prices that preclude a reasonable concept of disposability. On the other hand, they are more established and have larger organizations and have greater financial, operational, sales and marketing resources and experience in research and development than the Company does. Competitive factor advantages include the technology that allows the ability of the shipper to retain liquid nitrogen when placed in non-upright positions, the overall "leak-proofness" of the package which determines compliance with shipping regulations and the overall weight and volume of the package which determines shipping costs.

Industry Overview:

The Company's products are sold into a rapidly growing niche of the packaging industry focused on the temperature sensitive packaging and shipping of biological materials. Expenditures for "value added" packaging for frozen transport have been increasing for the past several years and are expected to continue to increase even more in the future as more domestic and international biotechnology firms introduce pharmaceutical products that require continuous refrigeration at cryogenic temperatures. This will require a greater dependence on passively controlled temperature transport systems (i.e., systems having no external power source). [References: Cryopak Industries – *Investment Package/Annual Report* and US Department of Commerce - *US Industrial Outlook.*]

The Company believes that growth in the following markets has resulted in the need for increased efficiencies and greater flexibility in the temperature sensitive packaging market:

- Pharmaceutical clinical trials, including transport of tissue culture samples;
- Pharmaceutical commercial product distribution;
- Transportation of diagnostic specimens;
- Transportation of infectious materials;
- Intra laboratory diagnostic testing;
- Transport of temperature-sensitive specimens by courier;
- Analysis of biological samples;
- Environmental sampling;
- Gene and stem cell biotechnology and vaccine production; and
- Food engineering.

Many of the biological products in these above markets require transport in a frozen state as well as the need for shipping containers which have the ability to maintain a frozen, cryogenic environment (e.g., -150°C) for a period ranging from two to ten days (depending on the distance and mode of shipment). These products include semen, embryo, tissue, tissue cultures, cultures of viruses and bacteria, enzymes, DNA materials, vaccines and certain pharmaceutical products. In some instances, transport of these products requires temperatures at, or approaching, -196°C.

One problem faced by many companies operating in these specialized markets is the limited number of cryogenic shipping systems serving their needs, particularly in the areas of pharmaceutical companies conducting clinical trials. The currently adopted protocol, and the most common method for packaging frozen transport in these industries is the use of solid carbon dioxide (dry ice). Dry ice is used in shipping extensively to maintain a frozen state for a period of one to four days. Dry ice is used in the transport of many biological products, such as pharmaceuticals, laboratory specimens and certain infectious materials that do not require true cryogenic temperatures. The common approach to shipping these items via ground freight is to pack the product in a container, such as an expanded polystyrene (Styrofoam) box or a molded polyurethane box, with a variable quantity of dry ice. The box is taped or strapped shut and shipped to its destination with freight charges based on its initial shipping weight.

With respect to shipments via specialized courier services, there is no standardized method or device currently in use for the purpose of transporting temperature-sensitive frozen biological specimens. One common method for courier transport of biologicals is to place frozen specimens, refrigerated specimens, and ambient specimens into a compartmentalized container, similar in size to a 55 quart Coleman or Igloo cooler. The freezer compartment in the container is loaded with a quantity of dry ice at minus 78°C, while the refrigerated compartment at 8°C utilizes ice substitutes.

Two manufacturers of the polystyrene and polyurethane containers frequently used in the shipping and courier transport of dry ice frozen specimens are Insulated Shipping Containers, Inc. and Tegrant (formerly SCA Thermosafe). When these containers are used with dry ice, the average sublimation rate (e.g., the rate at which dry ice turns from a solid to a gaseous state) in a container with a one and one-half inch wall thickness is slightly less than three pounds per 24 hours. Other existing refrigerant systems employ the use of gel packs and ice substitutes for temperature maintenance. Gels and eutectic solutions (phase changing materials) with a wide range of phasing temperatures have been developed in recent years to meet the needs of products with varying specific temperature control requirements.

The use of dry ice and ice substitutes, however, regardless of external packaging used, are frequently inadequate because they do not provide low enough storage temperatures and, in the case of dry ice, last for only a few days without re-icing. As a result, companies run the risk of increased costs due to lost specimens and additional shipping charges due to the need to re-ice.

Some of the other disadvantages to using dry ice for shipping or transporting temperature sensitive products are as follows:

- Availability of a dry ice source;
- Handling and storage of the dry ice;
- Cost of the dry ice;
- Weight of containers when packed with dry ice;
- Securing a shipping container with a high enough R-value to hold the dry ice and product for the required time period;
- Securing a shipping container that meets the requirements for International Air Transportation Association ("IATA"), the Department of Transportation ("DOT"), the Center for Disease Control ("CDC"), and other regulatory agencies; and
- The emission of green house gases into the environment.

Due to the limitations of dry ice, shipment of specimens at true cryogenic temperatures can only be accomplished using liquid nitrogen (LN_2) dry vapor shippers, or by shipping over actual liquid nitrogen. While such shippers provide solutions to the issues encountered when shipping with dry ice, they too are experiencing some criticisms by users or potential users. For example, the cost for these products typically can range from $650 to $3,000 per unit, which can substantially limit their use for the transport of many common biologicals, particularly with respect to small quantities such as is the case with direct to the physician drug delivery. Because of the initial cost and limited production of these containers, they are designed to be reusable. However, the cost of returning these heavy containers can be significant, particularly in international markets, because most applications require only one-way shipping.

Another problem with these existing systems relates to the hold time of the unit in a normal, upright position versus the hold time when the unit is placed on its side or inverted. The liquid nitrogen can leak out of the container when it is positioned on its side or inverted. This leaking will compromise the dependability of these dry shippers, particularly when used in circumstances requiring lengthy shipping times. The Company's CyroPort Express shipper does not have this problem due to the proprietary technology that solves this otherwise limiting problem. Since other competitors use absorbent materials similar to that used by Chart Industries, Inc., the Company believes the performance characteristics will be similar for their products of this particular size and volume.

The CryoPort Solution:

During the past several years, a number of trends have emerged in the temperature-sensitive packaging industry as a result of economic and technological changes. The Company has focused its product development efforts to respond to what it perceives to be the more significant of these trends, specifically the following:

- Smaller, more efficient packaging (increasing thermal density);
- Emphasis on decreasing costs and system simplification;
- Need for turnkey services;
- Development of international programs and markets;
- Centralization of commercial products and services;
- Development of regulatory standards;
- Minimize green house gases emitted into the environment; and
- Develop products that are environmentally friendly and maximize recyclable material content.

Smaller, More Efficient Packaging. Advances in both materials and manufacturing technology have made it possible to reduce the size, weight, complexity and cost of packaging, while increasing the capabilities of high performance packaging. These advances are the result of developments in the aerospace industry in the areas of high strength, low weight materials and thermal technology. The Company is applying this technology in its product development efforts, and believes that it is at the forefront of applying this technology in the public sector. The Company's development efforts are focused on the application of polymers and high volume metal casting and forming methods that have traditionally been excluded from the cryogenic industry because product quantities have been too low to efficiently utilize these materials and methods. Cryoport currently manufactures its reusable shipper with an approximate liquid nitrogen volume of five liters. The Company's future intended products will be a range of shippers with liquid nitrogen capacities from approximately one to five liters in size.

Emphasis on Decreasing Costs and System Simplification. Because current dry vapor LN_2 shipping containers are expensive, many users do not keep an ample supply on hand. Consequently, some users require that these be returned promptly. This often results in very expensive express return shipping which will significantly magnify as shipping volumes increase. This has created a demand for smaller, lower cost dry vapor LN_2 shipping containers. In addition, many users have expressed a strong interest in the production of a dry vapor LN_2 shipper that is inexpensive enough to be used in a disposable or limited usage manner. The sales prices of reusable shippers in this size range from $700 to $1,200 and transportation costs on these shippers can be costly whereas the price range for the new CryoPort Express™ System competes effectively against currently offered dry ice shipping solutions for per use costs including transportation cost, depending on size and contractual commitments.

Dry vapor LN_2 shipping containers are made of medium gauge metal that makes them vulnerable to denting and breaking and increases shipping costs due to the added weight. Additionally, their design requires that they be kept in an upright position to achieve advertised hold times. If they are placed in a horizontal position, LN_2 can leak out or boil off, substantially reducing their hold times. The Company anticipates manufacturing its shippers in smaller sizes from lighter weight materials that significantly reduce their weight (thereby reducing shipping costs) and manufacturing cost, which will allow them to be used one time for outbound shipments. Additionally, the patented absorbent used to hold the LN_2 much more efficiently retains liquid when its shippers are positioned on their sides or inverted. The Company has significantly reduced the possible loss of liquid nitrogen refrigerant that all dry shippers experience when not kept vertical.

Turnkey Services. The pharmaceutical industry depends on clinical trials for Food and Drug Administration approval of new drugs. A significant number of these trials require frozen transport of specimens obtained from patients in the study. A number of pharmaceutical companies now specify temperature-sensitive frozen packaging and services as part of "turnkey" contracts with contract research organizations. To meet the demands of their customers, freight forwarding companies, such as World Courier, Federal Express and DHL, take responsibility for procuring appropriate packaging, shipping by airline, and delivering the specimens to the point of analytical testing. This comprehensive service addresses the stringent requirements imposed by pharmaceutical companies to ensure appropriate quality control for their clinical studies. The Company believes its dry shippers offered by the CryoPort Express™ System greatly enhance the reliability of the quality control required and be more cost effective.

Development of International Programs and Markets. The biotechnology and pharmaceutical industries are now transnational industries with locations in various parts of the industrially developed and developing world. Since many products produced by these industries must be shipped in temperature-sensitive packaging, the logistical problems presented by longer distances, and sometimes unreliable forwarding entities, are becoming of greater concern. Weekends, holidays, lost containers, hot weather and indirect courier routes all place a strain on the ability of current shipping devices to provide appropriate temperatures when extraordinary delays are encountered. Because the Company's shippers are able to maintain frozen or cryogenic temperatures of minus 150°C, or below, for 10+ days, its shippers are better able to insure the integrity of specimens affected by unexpected shipping delays. Further, the maximum guaranteed temperature hold time of the Company's 5 liter shipper is 16 days which is quoted under perfect and ideal conditions when in a "static" (i.e. stationary) condition only. The functional (in shipping use) hold time of this same 5 liter shipper is 10+ days. Functional hold times are intended to be an indication only of how many days a shipper can be expected to hold its temperature when subjected to normal shipping usage.

Centralization of Commercial Products and Services. In recent years, the competitive environment in health care has intensified rapidly, while increased managed care participation, coupled with Medicare and Medicaid reimbursement issues, have placed significant pressure to increase efficiency on market segments that service the health care industry. These include the diagnostic clinical laboratory industry and pharmaceutical industry. In response to these, and other pressures, the clinical laboratory industry experienced a consolidation, through both acquisition and attrition, which resulted in fewer, more centralized testing locations, processing a larger volume of specimens. With fewer testing sites processing increased volumes, a tremendous strain has been placed on the traditional modes for transporting these goods.

With respect to the pharmaceutical industry, the emergence of international pharmaceutical conglomerates through mergers and acquisitions, such as Smith Kline Beecham, and the dramatic growth of relatively new companies such as Amgen, coupled with the emergence of contract research organizations, such as Quintiles (with testing laboratories in Atlanta, Georgia, Buenos Aires, Edinburgh, Pretoria, Singapore and Melbourne), which contract with pharmaceutical companies to handle, among other things, clinical trials and testing, means that distribution networks for the transport of temperature-sensitive products have become much more complex.

The Company believes that it has developed, and is developing, products that are ideally suited to address the issues presented by these trends.

Development of Regulatory Standards. The shipping of diagnostic specimens, infectious substances and dangerous goods, whether via air or ground, falls under the jurisdiction of many states, federal and international agencies. The quality of the containers, packaging materials and insulation that protect a specimen determine whether or not it will arrive in a usable condition. Many of the regulations for transporting dangerous goods in the United States are determined by international rules formulated under the auspices of the United Nations. For example, the International Civil Aviation Organization ("ICAO") is the United Nations organization that develops regulations (Technical Instructions) for the safe transport of dangerous goods by air. If shipment is by air, compliance with the rules established by IATA is required. IATA is a trade association made up of airlines and air cargo carriers that publishes annual editions of the IATA Dangerous Goods Regulations. These regulations interpret and add to the ICAO Technical Instructions to reflect industry practices. Additionally, the CDC has regulations (published in the Code of Federal Regulations) for interstate shipping of specimens, and the Occupational Safety and Health Organization ("OSHA") also addresses the safe handling of Class 6.2 Substances. The Company's CryoPort Express™ Shipper meets packing instruction 602 and 650 and is certified for the shipment of Class 6.2 Dangerous Goods per the requirements of the International Civil Aviation Organization (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air and the International Air Transport Association (IATA).

Research and Development:

The Company's R&D efforts are focused on continually improving the features of the CryoPort Express™ System including the web based customer service portal and the CryoPort Express™ Shippers. Further these efforts are expected to lead to the introduction of shippers of varying sizes based on market requirements, constructed of lower cost materials and utilizing high volume manufacturing methods that will make it practical to provide the cryogenic packages offered by the CryoPort Express™ System. Other research and development effort has been directed toward improvements to the liquid nitrogen retention system to render it more reliable in the general shipping environment and to the design of the outer packaging. The Company's research and development expenditures during the fiscal years ended March 31, 2009 and 2008 were $297,378 and $166,227, respectively.

Manufacturing:

The component parts for the Company's products are primarily manufactured at third party manufacturing facilities. The Company also has a warehouse at the corporate offices in Lake Forest, California, where the Company is capable of manufacturing certain parts and full assembly of its products. Most of the components that the Company uses in the manufacture of its products are available from more than one qualified supplier. For some components, however, there are relatively few alternate sources of supply and the establishment of additional or replacement suppliers may not be accomplished immediately, however, the Company has identified alternate qualified suppliers which the Company believes could replace existing suppliers. Should this occur, the Company believes the maximum disruption of production could be a short period of time, on the order of approximately four to six weeks.

Primary manufacturers include Spaulding Composites Company, Peterson Spinning and Stamping, Lydall Industrial Thermal Solutions, Ludwig, Inc., and Porex Porous Products Group. There are no specific agreements with any manufacturer nor are there any long term commitments to any. It is believed that any of the currently used manufacturers could be replaced within a short period of time as none have a proprietary component nor a substantial capital investment specific to the Company's products.

The Company's manufacturing process uses non-hazardous cleaning solutions which are provided and disposed of by an EPA approved supplier. EPA compliance costs for the Company are therefore negligible.

Patents:

In order to remain competitive, the Company must develop and maintain protection on the proprietary aspects of its technologies. The Company relies on a combination of patents, copyrights, trademarks, trade secret laws and confidentiality agreements to protect its intellectual property rights. The Company currently holds four issued U.S. trademarks and three issued U.S. patents primarily covering various aspects of its products. In addition, the Company intends to file for additional patents to strengthen its intellectual property rights. The technology covered by the above indicated patents refer to matters specific to the use of liquid nitrogen dewars relative to the shipment of biological materials. The concepts include those of disposability, package configuration details, liquid nitrogen retention systems, systems related to thermal performance, systems related to packaging integrity, and matters generally relevant to the containment of liquid nitrogen. Similarly, the trademarks mentioned relate to the cryogenic temperature shipping activity. Patents and trademarks currently held by the Company include:

Type:	No.	Issued	Expiration
Patent	6,467,642	Oct. 22, 2002	Oct. 21, 2022
Patent	6,119,465	Sep. 19, 2000	Sep. 18, 2020
Patent	6,539,726	Apr. 1, 2003	Mar 31, 2023
Trademark	7,583,478,7	Oct. 9, 2002	Oct. 8, 2012
Trademark	7,586,797,8	Apr. 16, 2002	Apr. 16, 2012
Trademark	7,748,667,3	Feb. 3, 2009	Feb. 3, 2019
Trademark	7,737,451,1	Mar. 17, 2009	Mar. 17, 2019

The Company's success depends to a significant degree upon its ability to develop proprietary products and technologies and to obtain patent coverage for these products and technologies. The Company continues to file trademark and patent applications covering any newly developed products, methods and technologies. However, there can be no guarantee that any of its pending or future filed applications will be issued as patents. There can be no guarantee that the U.S. Patent and Trademark Office or some third party will not initiate an interference proceeding involving any of its pending applications or issued patents. Finally, there can be no guarantee that its issued patents or future issued patents, if any, will provide adequate protection from competition, as discussed below.

Patents provide some degree of protection for the Company's proprietary technology. However, the pursuit and assertion of patent rights involve complex legal and factual determinations and, therefore, are characterized by significant uncertainty. In addition, the laws governing patent issuance and the scope of patent coverage continue to evolve. Moreover, the patent rights the Company possesses or are pursuing generally cover its technologies to varying degrees. As a result, the Company cannot ensure that patents will issue from any of its patent applications, or that any of its issued patents will offer meaningful protection. In addition, the Company's issued patents may be successfully challenged, invalidated, circumvented or rendered unenforceable so that its patent rights may not create an effective barrier to competition. Moreover, the laws of some foreign countries may not protect its proprietary rights to the same extent, as do the laws of the United States. There can be no assurance that any patents issued to the Company will provide a legal basis for establishing an exclusive market for its products or provide it with any competitive advantages, or that patents of others will not have an adverse effect on its ability to do business or to continue to use its technologies freely.

The Company may be subject to third parties filing claims that its technologies or products infringe on their intellectual property. The Company cannot predict whether third parties will assert such claims against it or whether those claims will hurt its business. If the Company is forced to defend itself against such claims, regardless of their merit, the Company may face costly litigation and diversion of management's attention and resources. As a result of any such disputes, the Company may have to develop, at a substantial cost, non-infringing technology or enter into licensing agreements. These agreements may be unavailable on terms acceptable to it, or at all, which could seriously harm the Company's business or financial condition.

The Company also relies on trade secret protection of its intellectual property. The Company attempts to protect trade secrets by entering into confidentiality agreements with third parties, employees and consultants. It is possible that these agreements may be breached, invalidated or rendered unenforceable, and if so, the Company's trade secrets could be disclosed to its competitors. Despite the measures the Company has taken to protect its intellectual property, parties to its agreements may breach confidentiality provisions in its contracts or infringe or misappropriate its patents, copyrights, trademarks, trade secrets and other proprietary rights. In addition, third parties may independently discover or invent competitive technologies, or reverse engineer its trade secrets or other technology. Therefore, the measures the Company is taking to protect its proprietary technology may not be adequate.

Government Regulation:

The Company is subject to numerous federal, state and local laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control, and disposal of hazardous or potentially hazardous substances. The Company may incur significant costs to comply with such laws and regulations now or in the future.

Users of the Company's shippers are subject to state, federal and international government and/or agency regulation with respect to the shipment of diagnostic specimens, infectious substances and dangerous goods. The quality of the containers, packaging materials and insulation that protect a specimen determine whether or not it will arrive in a usable condition. Many of the regulations for transporting dangerous goods in the United States are determined by international rules formulated under the auspices of the United Nations. Companies shipping certain items must comply with any applicable Department of Transportation and ICAO regulations, as well as rules established by IATA, the CDC, OSHA and any other relevant regulatory agency.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 2. PROPERTIES.

The Company's corporate, research and development, and warehouse facilities are located in one Company-leased office and warehouse building with approximately 12,000 square feet. The facilities are located at 20382 Barents Sea Circle, Lake Forest, CA 92630. The Company currently makes base lease payments of approximately $13,000 per month, due at the beginning of each month, pursuant to a two year lease through August 2009 with renewal options for three additional one year lease terms. The landlord is Viking Investors, Barents Sea, LLC. The facilities are in good condition and are suitable for the Company's current requirements. The Company currently does not own any real property.

ITEM 3. LEGAL PROCEEDINGS.

The Company becomes a party to product litigation in the normal course of business. The Company accrues for open claims based on its historical experience and available insurance coverage. In the opinion of management, there are no legal matters involving the Company that would have a material adverse effect upon the Company's condition or results of operations.

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

On October 16, 2007, a special shareholders' meeting was held in Las Vegas, Nevada for the purpose of holding a shareholder vote on a proposal to amend and restate the Company's Articles of Incorporation. Prior to the meeting and in compliance with Nevada law and the Bylaws of the Company, a Proxy Statement and Proxy were provided to all shareholders of the record date, September 19, 2007. A quorum of shareholders required to hold the meeting were present, appearing either by Proxy or in person. The proposal to Amend and Restate the Company's Articles of Incorporation passed with 88.5% of the votes present or by Proxy cast in favor of the proposal; 9.9% of the votes present or by Proxy cast against the proposal; and 1.6% of the votes present or by Proxy abstained. The Amended and Restated Articles of Incorporation became effective as of October 16, 2007 and can be viewed as Exhibit 5.1 filed with the Company's Form 8-K on October 19, 2007. The Amended and Restated Articles of Incorporation effectively increased the total number of voting common stock authorized to be issued of the Company to 125,000,000 and increased the authorized number of directors to nine.

Pursuant to the covenants of the January 2009 Amendment to the October 2007 and May 2008 Debentures, the Company shall hold a shareholders meeting and put before the shareholders a proposal to increase authorized shares from 125,000,000 to 250,000,000, following the requirements set forth in the Company's by-laws within 9 months of the date of the Amendment.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Presently, the Company's common stock is traded through the OTC Bulletin Board under the symbol CYRX.OB. In August 2007, the Company's market maker, Spartan Securities Group, Ltd., of Boca Raton, Florida, successfully completed the 15c211 process with the Financial Industry Regulatory Authority, FINRA (formerly NASD). Effective September 11, 2007, the Company's shares became listed on the OTC Bulletin Board. Previously, the Company's stock had been traded through the PinkSheets under the symbol CYRX.PK since January 2005. Prior to January 2005, there was no published price for the Company's common stock. The Company's Form 10-SB became effective in February 2006. There can be no assurances that an active public market for the Company's common stock will develop or be sustained.

Fiscal 2009	High	Low
1st Quarter	$ 1.15	$ 0.67
2nd Quarter	1.00	0.50
3rd Quarter	0.75	0.47
4th Quarter	0.55	0.33

Fiscal 2008	High	Low
1st Quarter	$ 3.30	$ 0.77
2nd Quarter	1.70	0.61
3rd Quarter	1.47	0.70
4th Quarter	1.37	0.85

As of June 25, 2009, the quoted price of the Company's stock was $0.50. Stockholders are urged to obtain current market quotations for the Company's common stock.

Description of Securities

Common Stock:

The Company's Articles of Incorporation, filed on May 25, 1990, authorizes the issuance of 5,000,000 shares of Common Stock at a par value of $0.001 per share. The Articles of Incorporation were amended and restated on October 12, 2004, to authorize the issuance of 100,000,000 shares of Common Stock at a par value of $0.001 per share. The Articles of Incorporation were again amended and restated on October 16, 2007, to authorize the issuance of 125,000,000 shares of Common Stock at a par value of $0.001 per share. As of June 27, 2009, there were 43,913,830 shares of common stock issued and outstanding shares held by 113 shareholders of record. Holders of Common Stock are entitled to one vote for each share on all matters to be voted on by the stockholders. Holders of Common Stock have no cumulative voting rights. Holders of shares of Common Stock are entitled to share ratable in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion, from funds legally available therefore. In the event of liquidation, dissolution, or winding up of the Company, the holders of shares of Common Stock are entitled to share pro rata all assets remaining after payment in full of all liabilities. Holders of Common Stock have no pre-emptive or other subscription rights, and there are no conversion rights or redemption or sinking fund provisions with respect to such shares.

Preferred Stock:

There is no preferred stock authorized.

Stock Options and Warrants:

As of June 27, 2009 there were outstanding stock options and warrants to purchase up to 37,211,417 shares of the Company's common stock. The outstanding options and warrants were issued by the Company in connection with various debt and equity financings and compensation agreements. These options and warrants are exercisable at prices ranging from $0.04 to $3.50 per share, with a weighted average exercise price of $0.59 per share, and have expiration dates ranging from July 18, 2009 to June 9, 2019.

Transfer Agent and Registrar:

The Transfer Agent and Registrar for the Company's Common Stock is:
Integrity Stock Transfer
3027 East Warm Springs Road
Las Vegas, Nevada, 89120.

Dividends:

The Company has not paid any dividends on its common stock and does not expect to do so in the foreseeable future. The Company intends to apply any future earnings to expanding its operations and related activities.

The payment of cash dividends in the future will be at the discretion of the Board of Directors and will depend on such factors as earnings levels, capital requirements, the Company's financial condition and other factors deemed relevant by the Board of Directors. In addition, the Company's ability to pay dividends may become limited under future loan or financing agreements of the Company that may restrict or prohibit the payment of dividends.

Recent Sales of Unregistered Securities:

The following is a summary of transactions by the Company during the past two years involving the issuance and sale of the Company's securities that were not registered under the Securities Act of 1933, as amended (the "Securities Act"). All securities sold by the Company were sold to individuals, trusts or others as accredited investors as defined under Regulation D under the Securities Act, as amended.

During fiscal 2009, the Company issued 82,693 shares of common stock resulting from exercises of warrants at an average exercise price of $0.04 per share resulting in proceeds of $3,307.

During fiscal 2009, the Company issued 150,022 shares of common stock resulting from cashless exercises of 157,000 options converted using an average market price of approximately $0.04 per share resulting in 6,978 warrants used for the cashless conversion.

During fiscal 2009, the Company issued 402,238 shares of common stock in lieu of fees paid to a consultant. These shares were issued at an average value of $0.61 per share for a total cost of $249,102 which has been included in selling general and administrative expenses for the year ended March 31, 2009.

During fiscal 2009, the Company issued 400,000 shares of common stock for extinguishment of debt. These shares were issued at a value of $.41 per share (based on the stock price on the agreement date) for a total cost of $164,000 which has been included in the loss on extinguishment of debt.

During fiscal 2008, 3,652,710 shares of the Company's common stock were sold to investors at an average price of $0.22 per share resulting in proceeds of $699,866 to the Company, net of issuance costs of $89,635.

During fiscal 2008, the Company issued 156,250 shares of common stock resulting from exercises of warrants at an average exercise price of $0.69 per share resulting in proceeds of $107,500.

During fiscal 2008, the Company issued 386,726 shares of common stock resulting from cashless exercises of 465,469 warrants converted using an average market price of approximately $1.19 per share resulting in 78,743 warrants used for the cashless conversion.

During fiscal 2008, the Company issued 375,000 shares of common stock in lieu of fees paid to a consultant. These shares were issued at a value of $1.02 per share (based on the stock price on the agreement dates after a fifteen percent deduction as the shares are restricted) for a total cost of $382,500 which has been included in selling general and administrative expenses for the year ended March 31, 2008.

During fiscal 2008, the Company issued 150,000 S-8 registered shares of common stock in lieu of fees paid to a consultant for a 36 month consulting agreement. These shares were issued at a value of $.80 per share (based on the stock price on the agreement date) for a total cost of $120,000 which is being amortized over the life of the service agreement.

The following schedules list the sales of shares of common stock net of offering costs (excluding exercises of options and warrants) and issuances of options and warrants during the fiscal years ended 2009 and 2008.

	Fiscal 2009				
	Common Stock			Warrants	
	$	Shares	Wtd. Avg Price	Issued	Wtd Avg. Ex. Price
Qtr 1	$ -	-	-	9,206,544	$ 0.61
Qtr 2	-	-	-	459,760	$ 0.85
Qtr 3	-	-	-	1,006,140	$ 0.84
Qtr 4	-	-	-	5,846,896	$ 0.59
	$ -	-		16,519,340	

	Fiscal 2008				
	Common Stock			Warrants	
	$	Shares	Wtd. Avg Price	Issued	Wtd. Avg. Ex.Price
Qtr 1	$ 554,140	3,443,335	$ 0.16	6,052,000	$ 0.35
Qtr 2	166,606	209,375	$ 0.70	1,115,271	$ 0.55
Qtr 3	-	-	-	9,216,981	$ 1.03
Qtr 4	-	-	-	790,550	$ 1.38
	$ 699,866	3,652,710		17,174,802	

The issuances of the securities of the Company in the above transactions were deemed to be exempt from registration under the Securities Act by virtue of Section 4(2) thereof or Regulation D promulgated thereunder, as a transaction by an issuer not involving a public offering. With respect to each transaction listed above, no general solicitation was made by either the Company or any person acting on the Company's behalf; the securities sold are subject to transfer restrictions; and the certificates for the shares contained an appropriate legend stating such securities have not been registered under the Securities Act and may not be offered or sold absent registration or pursuant to an exemption therefrom.

Equity Compensation Plan Information:

The Company currently maintains one equity compensation plan, referred to as the 2002 Stock Incentive Plan (the "2002 Plan"). The Company's Compensation and Governance Committee is responsible for making reviewing and recommending grants of options under this plan which are approved by the Board of Directors. The 2002 Plan, which was approved by its shareholders in October 2002, allows for the grant of options to purchase up to 5,000,000 shares of its common stock. The 2002 Plan provides for the granting of options to purchase shares of the Company's common stock at prices not less than the fair market value of the stock at the date of grant and generally expire ten years after the date of grant. The stock options are subject to vesting requirements, generally 3 or 4 years. The 2002 Plan also provides for the granting of restricted shares of common stock subject to vesting requirements. In June 2007, 50,000 common stock shares were granted upon the exercise of stock options issued pursuant to the 2002 Plan. No other restricted shares since June 2007 have been granted pursuant to the 2002 Plan as of June 27, 2009.

Other Securities Activities:

None

Issuer Purchases of Equity Securities:

As of June 27, 2009, the Company has not made any repurchases of its common stock.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

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

General Overview

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the audited consolidated balance sheets as of March 31, 2009 and 2008 and the related consolidated statements of operations, cash flows and stockholders' deficit for the years ended March 31, 2009 and 2008, and the related notes to the consolidated financial statements (see Part II, Item 8 - Financial Statements). This discussion contains forward-looking statements, based upon current expectations that involve risks and uncertainties, such as the Company's plans, objectives, expectations and intentions.

Cryoport, Inc. (the "Company"), was originally formed with the intention to first develop a reusable line of cryogenic shippers and once underway, to begin the research and development of a cost efficient, single use cryogenic shipper. Lack of adequate funding in prior years has delayed full implementation of the Company's business plan. The reusable line of cryogenic shippers has been in production since 2002; however, anticipated difficulties in penetrating the market for reusable cryogenic shippers, as well as a need for continuous redevelopment of the product line has allowed for only limited revenue generation from the sale of the reusable cryogenic shipper which was discontinued in fiscal 2009. The Company has continued to raise funds through private placement offerings and convertible debenture equity financings which have allowed the Company to focus on the market research and product development of the CryoPort Express™ System and the CryoPort Express™ Shippers and additional capital purchases for the preparation of manufacturing and commercialization for these products, while, at the same time, minimizing overall expenditures however, more significant funding is required to successfully fully commercialize the sales of the CryoPort Express™ System. The Company is currently searching for these additional funding sources. During fiscal 2009, the Company completed limited pilot introductory sales utilizing the CryoPort Express™ System product line in limited quantities to selective customers. Sales to these customers as well as further penetration to the general market is anticipated to follow during the next fiscal year. Expanded demand is expected to develop as pharmaceutical products requiring cryogenic or frozen protection come to market.

The Company has discussed development of the CryoPort Express™ System product line under confidentiality agreements for drug delivery with selected clinical research organizations ("CRO's") and vaccine manufacturers. To date the Company has received and fulfilled single small orders from these customers. These initial potential customers for the new CryoPort Express™ System are currently primarily using dry ice shippers utilizing premium priced specialty couriers in clinical trials. To address the full commercialization to provide these customers with CryoPort Express™ Shippers, the Company anticipates further discussions for a manufacturing and distribution partnership with two large, and well established manufacturing companies, a strategic partnership with a large freight carrier and direct marketing activities to gain customers.

Going Concern

As reported in the Report of Independent Registered Public Accounting Firm on the Company's March 31, 2009 and 2008 financial statements, the Company has incurred recurring losses and negative cash flows from operations since inception. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

There are significant uncertainties which negatively affect the Company's operations. These are principally related to (i) the expected ramp up of sales of the new CryoPort Express™ System, (ii) the absence of any commitment or firm orders from key customers in the Company's target markets, and (iii) the success in bringing additional products concurrently under development to market with the Company's key customers. Moreover, there is no assurance as to when, if ever, the Company will be able to conduct the Company's operations on a profitable basis. The Company's limited historical sales for the Company's reusable product, limited introductory sales to date of the CryoPort Express™ System and the lack of any purchase requirements in the existing distribution agreements, make it impossible to identify any trends in the Company's business prospects.

The Company has not generated significant revenues from operations and has no assurance of any future significant revenues. The Company generated revenues from operations of only $35,124, incurred a net loss of $16,705,151 including a $10,846,573 loss on debt extinguishment and used cash of $2,586,470 in its operating activities during the year ended March 31, 2009. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The Company's management has recognized that the Company must obtain additional capital for the commercialization of the CryoPort Express™ System and the eventual achievement of sustained profitable operations. In response to this need for capital, In March 2009 the Company entered into an Agency Agreement with a broker to raise capital in a private placement offering of one-year convertible debentures under Regulation D (the "Private Placement Debentures"). From March through June 2009, the Company intends to raise a total of $1,500,000 under this private placement offering of convertible debenture debt. Through June 22, 2009 the Company had raised net proceeds of $906,630 under the Private Placement Debentures. (see Note 10 and Note 14 to the accompanying consolidated financial statements). As a result of the recent financing, the Company had aggregate cash and cash equivalents and restricted cash balances of approximately $689,000 as of June 22, 2009, which will be used to fund the working capital required for minimal operations as well as the sales and marketing efforts to continue the Company's ramp up of the CryoPort Express™ System until additional capital is obtained. The Company's management recognizes that the Company must obtain additional capital for the achievement of sustained profitable operations. Management's plans include obtaining additional capital through equity and debt funding sources, however, no assurance can be given that additional capital, if needed, will be available when required or upon terms acceptable to the Company or that the Company will be successful in its efforts to negotiate extension of its existing debt. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Management is committed to minimizing current cash usage and securing significant financings to fully execute its business plan and grow at the desired rate to achieve sustainable profitable operations. To further facilitate the ability of the Company to continue as a going concern the Company's management has begun taking the following steps:

1) Focusing additional effort on the commercialization of the CryoPort Express™ System. Management has begun initiating meetings with large potential customers for the use of the CryoPort Express.

2) Aggressively seeking additional capital sources for significant long-term funding of approximately $10,000,000 to allow the Company to fully commercialize the CryoPort Express™ System and to achieve and sustain profitable operations.

3) Pursue and complete a strategic partnership with a large freight carrier to be able to provide a one call simple and reliable solution to shipping frozen samples. The partnership will also facilitate the ability of the Company to rapidly call on and achieve sales with the largest target customers.

4) Minimizing operating and financing expenditures through stringent cost containment measures to ensure the availability of funds until additional funding is secured, then continue to minimize expenditures until sufficient revenues are generated and cash collections adequately support the continued business operations. The Company's largest expenses for the year ended March 31, 2009, relate to non-cash expenses including (i) $10,846,573 non-cash loss on extinguishment of debt related to the amendments to the Convertible Debentures (see Note 10 of the accompanying consolidated financial statements), ii) $2,265,400 non-cash expense included in interest expense relating to the amortization of discounts and deferred financing fees on convertible debentures, and (iii) non-cash expense recorded in selling, general and administrative costs of $948,569 related to the valuations of common stock shares and warrants issued in lieu of cash for consulting services as well as for directors' and employee compensation. For the year ended March 31, 2009, the Company also incurred cash expenses of (i) approximately $82,460 for the audit fees and consulting services related to the filing of the Company's annual and quarterly reports, compliance with Sarbanes-Oxley requirements, and for the filing of the Company's annual tax returns and (ii) approximately $142,980 included in research and development costs related to the development of the web based system to be used as a vital function of the CryoPort Express™ System. The remaining operating expenses for the year ended March 31, 2009 related primarily to minimal overhead costs including personnel costs, rent and utilities and meeting the legal and reporting requirements of a public company.

5) Utilizing part-time consultants and temporary employee and requiring employees to manage multiple roles and responsibilities whenever possible as the Company has historically utilized in its efforts to keep operating expenditures minimized.

6) Continuing to require that key employees and the Company's Board of Directors receive Company stock in lieu of cash as a portion of their compensation in an effort to minimize cash expenditures. With this strategy, the Company has established a team of experienced business professionals for advancing and launching the Company's products.

7) Maintaining basic levels for sales, engineering, and operating personnel and cautiously and gradually adding critical and key personnel only as affordable and necessary to support the expected revenue growth of the CryoPort Express™ System and any further expansion of the Company's product offerings in the reusable and frozen shipping markets.

8) Adding other expenses such as customer service, administrative and operations staff only when commensurate with producing increased revenues.

9) Focusing current research and development efforts only on final and future development, production and distribution of the CryoPort Express™ System.

10) Increasing sales efforts to focus on the bio-pharmaceutical, clinical trials and cold-chain distribution industries in order to identify and call on the top potential customers for the CryoPort Express™ System.

Research and Development

The Company has completed the research and development efforts associated with initial phases of the web-based order entry and tracking system and the CryoPort Express™ Shippers, a line of use-and-return dry cryogenic shippers, the essential components of the Company's CryoPort Express™ System which has been developed to provide a one-call total solution for the transport of biological and pharmaceutical materials. The Company continues to provide ongoing research associated with the CryoPort Express™ System, as it develops improvements in both the manufacturing processes and product materials and in the web based customer service portal for the purpose of achieving additional cost efficiencies and customer functionality. As with any research effort, there is uncertainty and risk associated with whether these efforts will produce results in a timely manner so as to enhance the Company's market position. For the years ended March 31, 2009 and 2008, research and development costs were $297,378 and $166,227, respectively. Company sponsored research and development costs related to future products and redesign of present products are expensed as incurred and include such costs as salaries, employee benefits, costs determined utilizing the Black-Scholes option-pricing model for options issued to the Scientific Advisory Board and prototype design and materials costs.

Liquidity and Capital Reserves

As of March 31, 2009 the Company's current liabilities of $4,747,012 exceeded current assets of $1,053,997 by $3,693,015.

Total assets decreased to $1,572,556 at March 31, 2009 from $3,460,889 at March 31, 2008 mainly as a result of cash funds used in operating activities and repayment of notes which were offset by proceeds from the May 2008 Debenture and increases in inventories and intangible assets .

The Company's total outstanding indebtedness increased to $6,348,460 at March 31, 2009 from $3,461,070 at March 31, 2008 primarily from the issuance of the May 2008 Debenture and subsequent principal increases as the result of debt restructurings as well as from increases in accrued interest on notes payable to related parties and accrued salaries, which were partially offset by decreases in accounts payable, notes payable, notes payable to officer and a decrease in accrued warranty costs.

October 2007 Debentures

On October 1, 2007, the Company issued to four accredited investors Original Issue Discount 8% Senior Secured Convertible Debentures (the "Debentures") having a principal face amount of $4,707,705 and generating gross proceeds of $4,001,551. After accounting for commissions, legal and other fees, the net proceeds to the Company totaled $3,436,551. As of March 31, 2009 the principal balance on the October 2007 Debenture was $5,356,073 of which the current portion of $3,570,720 is included in current liabilities. As of March 31, 2008, the principal balances of the Debentures totaled $4,419,397 of which the current portion of $1,936,884 is included in the Company's current liabilities in the accompanying consolidated balance sheet for March 31, 2008. The principal balance increased as the result of the August 2008 and January 2009 Amendments and the addition of the March 1, 2009 accrued interest payment. (see Note 10 to the accompanying consolidated financial statements).

The Debentures rank senior to all of the Company's current and future indebtedness and are secured by substantially all of the Company's assets.

In accordance with the Amendment effective January 27, 2009, the principal amounts under the October 2007 Debentures are payable to the investors in 12 monthly redemption payments which are scheduled to commence on August 1, 2009. The Company may elect to make principal redemptions in shares of common stock if certain equity conditions are met. If the Company elects to make principal redemptions in common stock, the conversion rate will be the lesser of (a) the Conversion Price of $0.51, or (b) 85% of the lesser of (i) the average of the volume weighted average price for the ten consecutive trading days ending immediately prior to the applicable date a principal redemption is due or (ii) the average of such price for the ten consecutive trading days ending immediately prior to the date the applicable shares are issued and delivered if such delivery is after the principal redemption due date.

At any time, holders may convert the Debentures into shares of common stock at a fixed conversion price of $0.51, subject to adjustment in the event the Company issues common stock (or securities convertible into or exercisable for common stock) at a price below the conversion price as such price may be in effect at various times (the "Conversion Price").

Interest payments for the October 2007 Debentures are payable quarterly and commenced on January 1, 2009. The Company may elect to make interest payments in shares of common stock provided, generally, that it is not in default under the Debentures and it has met certain equity conditions prior to the due date of the interest payments. If the Company elects to make interest payments in common stock, the conversion rate will be the lesser of (a) the Conversion Price (as defined below), or (b) 85% of the lesser of (i) the average of the volume weighted average price for the ten consecutive trading days ending immediately prior to the applicable date an interest payment is due or (ii) the average of such price for the ten consecutive trading days ending immediately prior to the date the applicable shares are issued and delivered if such delivery is after the interest payment date. The January 2009 Amendment modified the terms for interest payments during the period of January 1 through July 31, 2009. During this period payments are due monthly, convertible at the rate of $0.40 and, if the equity conditions are not met the Company may add the accrued interest amount to the principal balance of the note. After July 31, 2009 the interest payments are due quarterly in accordance to the original terms of the debenture.

The October 2007 Debentures were amended by agreements effective in April 2008, August 2008 and January 2009. As a result of the significant changes to the net present values of the debt and related warrants, the resulting differences in valuations have been accounted for by the Company as extinguishments of debt in accordance with EITF Issue No. 96-19 and EITF Issue No. 06-6, and accordingly recorded a total loss on debt extinguishment of $9,449,498 for the October Debentures which is included in the loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended March 31, 2009 (See note 10 of the accompanying consolidated financial statements.)

On January 31, 2008, $100,000 of the October 2007 Debentures was converted by an investor. Using the conversion rate of $0.84 per share per the terms of the Debenture, 119,047 shares of registered common stock were issued to the investor.

In April 2008, the Company rescinded and cancelled 140,143 shares of registered common stock for principal redemptions of the October 2007 Debentures totaling $117,720 and submitted the cash payments in the same amounts to those holders. Pursuant to a one-time waiver of certain equity conditions, the remaining $70,588 of the March 31 principal redemption was adjusted to reflect a one-time conversion rate of $0.70 and, in April 2008 the Company issued the holder 16,807 additional registered shares in consideration. In addition, the March 31, 2008 interest payments were adjusted to reflect a one-time conversion price of $0.70 and in April 2008 the Company issued the October 2007 Debenture holders 22,099 additional common stock shares. The additional interest expense for the October 2007 Debentures of $5,446 related to the one-time conversion rate adjustments of the March 31, 2008 principal and interest payments from $0.84 to $0.70 was included in accrued interest for the October 2007 Debentures as of March 31, 2008.

On March 1, 2009 the Company increased the principal balances of the October 2007 Debentures by $70,474, the amount of the accrued interest due as of that date, as a result of the equity condition constraints for the conversion of interest payments pursuant to the January Amendment.

As of March 31, 2009 and 2008, the Company had $35,707 and $5,446, respectively of accrued interest related to the October 2007 Debentures included in the accompanying consolidated balance sheets and recorded a total of $253,495 and $192,421, respectively, of interest expense related to the face rate of interest in the accompanying consolidated statements of operations for the years ended March 31, 2009 and 2008. During the years ended March 31, 2009 and 2008, the Company converted accrued interest payments of $5,446 and $186,975, respectively on the convertible notes into 38,906 and 222,590 shares of common stock, respectively, using a conversion rate of $0.84 per share.

As of March 31, 2009 and 2008, the unamortized balance of the debt discount related to the October 2007 Debentures was $2,251,802 and $3,522,356, respectively. During the years ended March 31, 2009 and 2008 the Company recorded additional interest expense of $1,804,716 and $1,185,348 respectively, related to the amortization of the debt discount associated with the October 2007 Debentures.

As of March 31, 2009 and 2008, the unamortized balance of the deferred financing fees related to the October 2007 Debentures was zero and $325,769, respectively. During the years ended March 31, 2009 and 2008 the Company recorded additional interest expense of $13,572 and $83,007 respectively, related to the amortization of the deferred financing fees associated with the October 2007 Debentures. In connection with the April Amendment described above, the unamortized balance of the deferred financing costs was written off.

During the year ended March 31, 2008, the Company converted accrued interest payments of $186,975 accrued interest on the convertible notes into 222,590 shares of common stock using a conversion rate of $0.84 per share. As of March 31, 2008, the Company had recorded $5,446 accrued interest on the convertible notes included in the accompanying consolidated balance sheet and a total of $192,421 of interest expense related to the face rate of interest in the accompanying consolidated statement of operations for the year ended March 31, 2008.

On March 31, 2008, the Company issued 224,176 shares of registered common stock for principal redemptions totaling $188,308 and 110,501 common stock shares for March 2008 interest payments totaling $92,821 to the holders of the Debentures using the conversion rate of $0.84. In April 2008, the Company was notified by the holders that the qualifying equity conditions had not been fully satisfied with relation to the conversion of the principal and interest payments made by the Company on March 31, 2008. As a result, in April 2008 the Company rescinded and cancelled 140,143 shares of registered common stock for principal redemptions totaling $117,720 and submitted the cash payments in the same amounts to those holders. Pursuant to a one-time waiver agreement with one of the Debenture holders, the remaining $70,588 of the March 31 principal redemption was adjusted to reflect a one-time conversion rate of $0.70 and, in April 2008 the Company issued the holder 16,807 additional registered shares in consideration. Also in consideration of a one-time waiver with the Debenture holders, the full amount of the March 31, 2008 interest payments were adjusted to reflect a one-time conversion price of $0.70 and in April 2008 the Company issued the Debenture holders 22,099 additional common stock shares. As of March 31, 2008, the Company has recorded additional interest expense for the Debentures of $5,446 related to the one-time conversion rate adjustments of the March 31, 2008 principal and interest payments from $0.84 to $0.70. (See Note 10 to the accompanying consolidated financial statements).

May 2008 Debentures

On June 9, 2008, the Company completed the transactions contemplated under a certain Securities Purchase Agreement with an accredited investor providing for the issuance of the Company's Original Issue Discount 8% Secured Convertible Debenture (the "May 2008 Debenture") having a principal face amount of $1,250,000. The Company realized gross proceeds of $1,062,500 after giving effect to a 15% discount. After accounting for commissions and legal and other fees, the net proceeds to the Company totaled $870,625. (See Note 10 to the accompanying consolidated financial statements). As of March 31, 2009, the principal balance of the May 2008 Debenture totaled $1,325,556, of which the current portion of $883,704 is included in the Company's current liabilities in the accompanying consolidated balance sheet at March 31, 2009.

Under the original terms, the principal amount under the May 2008 Debenture was payable in 23 monthly payments of $54,348 beginning January 31, 2009. Interest payments are payable in cash quarterly commencing on January 1, 2009. The principal and interest payments have been affected by the debt restructures as a result of the January Amendment discussed in further detail below. The Company may elect to make principal and interest payments in shares of common stock provided, generally, that the Company is not in default under the May 2008 Debenture, it has met certain equity conditions prior to the due dates and there is then in effect a registration statement with respect to the shares issuable upon conversion of the May 2008 Debenture. If the Company elects to make principal or interest payments in common stock, the conversion rate will be the lesser of (a) the Conversion Price (as defined below), or (b) 85% of the lesser of (i) the average of the volume weighted average price for the ten consecutive trading days ending immediately prior to the applicable date an interest payment is due or (ii) the average of such price for the ten consecutive trading days ending immediately prior to the date the applicable shares are issued and delivered if such delivery is after the interest payment date.

In accordance with the Amendment effective January 27, 2009, the principal amounts under the Debentures are payable to the investors in 12 monthly redemption payments which are scheduled to commence on August 1, 2009. The Company may elect to make principal redemptions in shares of common stock if certain equity conditions are met. If the Company elects to make principal redemptions in common stock, the conversion rate will be the lesser of (a) the Conversion Price of $0.51, or (b) 85% of the lesser of (i) the average of the volume weighted average price for the ten consecutive trading days ending immediately prior to the applicable date a principal redemption is due or (ii) the average of such price for the ten consecutive trading days ending immediately prior to the date the applicable shares are issued and delivered if such delivery is after the principal redemption due date.

At any time, the holder may convert the May 2008 Debenture into shares of common stock at a fixed conversion price of $0.84, subject to adjustment in the event the Company issues common stock (or securities convertible into or exercisable for common stock) at a price below the conversion price as such price may be in effect at various times (the "Conversion Price"). During fiscal 2009, the conversion price was subsequently reset to $0.51 as a result of the January Amendment discussed in further detail below.

Following the effective date of the registration statement described below, the Company may force conversion of the May 2008 Debenture if the market price of the common stock is at least $2.52 for 30 consecutive days. The Company may also prepay the May 2008 Debenture in cash at 120% of the then outstanding principal balance.

The May 2008 Debenture ranks senior to all current and future indebtedness of the Company, with the exception of the October 2007 Debentures that were issued by the Company which rank senior to the May 2008 Debenture. The May 2008 Debenture is secured by substantially all of the assets of the Company. As part of the transaction, the Company entered into a waiver and subordination agreement with the holders of the October 2007 Debentures.

At any time, holders may convert the Debentures into shares of common stock at a fixed conversion price of $0.51, subject to adjustment in the event the Company issues common stock (or securities convertible into or exercisable for common stock) at a price below the conversion price as such price may be in effect at various times (the "Conversion Price").

Interest payments for the May 2007 Debentures are payable quarterly and commenced on January 1, 2009. The Company may elect to make interest payments in shares of common stock provided, generally, that it is not in default under the Debentures and it has met certain equity conditions prior to the due date of the interest payments. If the Company elects to make interest payments in common stock, the conversion rate will be the lesser of (a) the Conversion Price (as defined below), or (b) 85% of the lesser of (i) the average of the volume weighted average price for the ten consecutive trading days ending immediately prior to the applicable date an interest payment is due or (ii) the average of such price for the ten consecutive trading days ending immediately prior to the date the applicable shares are issued and delivered if such delivery is after the interest payment date. The January 2009 Amendment modified the terms for interest payments during the period of January 1 through July 31, 2009. During this period payments are due monthly, convertible at the rate of $0.40 and, if the equity conditions are not met the Company may add the accrued interest amount to the principal balance of the note. After July 31, 2009 the interest payments are due quarterly in accordance to the original terms of the debenture.

The May 2008 Debentures were amended effective January 2009. As a result of the significant changes to the net present values of the debt and related warrants, the resulting differences in valuations have been accounted for by the Company as extinguishments of debt in accordance with EITF Issue No. 96-19 and EITF Issue No. 06-6, and accordingly recorded a total loss on debt extinguishment of $1,397,075 which is included in the loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended March 31, 2009 (See Note 10 of the accompanying consolidated financial statements.)

On March 1, 2009 the Company increased the principal balances of the May 2008 Debenture by $75,556, the amount of the accrued interest due as of that date, as a result of the equity condition constraints for the conversion of interest payments pursuant to the January Amendment.

For the year ended March 31, 2009, the Company recorded interest expense of $84,393 related to the face rate of interest, all of which $8,837 is included in accrued interest in the accompanying consolidated balance sheet at March 31, 2009.

During the year ended March 31, 2009, the Company recorded additional interest expense of $418,400 related to the amortization of the debt discount. As of March 31, 2009, the unamortized balance of the debt discount was $637,986.

During the year ended March 31, 2009, the Company recorded additional interest expense of $28,712 related to the amortization of the deferred financing fees on the May 2008 Debenture. As of March 31, 2009, the unamortized balance of the deferred financing fees was zero. In connection with the January Amendment described above, the unamortized balance of the deferred financing costs was written off. (See Note 10 to the accompanying consolidated financial statements)

Private Placement Debentures

In March 2009 the Company entered into an Agency Agreement with a broker to raise capital in a private placement offering of one-year convertible debentures under Regulation D (the "Private Placement Debentures"). From March through June 2009, the Company intends to raise up to a maximum of $1,500,000 under this private placement offering of convertible debenture debt. On March 31, 2009, the Company had received initial gross proceeds of $60,000 under this private placement offering of convertible debentures. Related to the issuance of the convertible debentures, the Company accrued for commissions to the broker totaling $3,600 which have been capitalized as deferred financing costs. The deferred financing costs will be amortized to interest expense by the Company through the maturity dates of the debentures on a straight-line basis which approximates the effective interest method.

The Company may elect to make principal redemptions on the maturity dates of the debentures in shares of common stock at a fixed conversion price of $0.51. At any time, holders may convert the debentures into shares of common stock at the fixed conversion price of $0.51. The conversion price is subject to adjustment in the event the Company issues the next equity financing of at least $2,500,000 at a price below $0.51.

Per the terms of the convertible debenture agreements, the notes have a term of one year from issuance and are redeemable by the Company with two days notice. The notes bear interest at 8% per annum and are convertible into shares of the Company's common stock at a conversion rate of $0.51. As of March 31, 2009 the balance of these convertible notes was $60,000 and accrued interest was zero.

In connection with the financing transaction, the Company issued to the investors five-year warrants (the "Private Placement Warrants") to purchase 23,529 shares of the Company's common stock at $0.51 per share. The exercise price of the warrants is subject to adjustment in the event the Company issues the next equity financing of at least $2,500,000 at a price below $0.51.

Under EITF Issue No. 00-27, the value of the Private Placement Warrants issued to the investor was calculated relative to the total amount of the debt offering. The relative fair value of the Private Placement Warrants issued to the investors was determined to be $9,146, or 15.2% of the total offering. The relative fair value of the Private Placement Warrants, along with the effective beneficial conversion feature of the debt of $4,440 were recorded as a total debt discount of $13,586 as of March 31, 2009 which is reported in the accompanying consolidated balance sheet. The Company will amortize the debt discount using the effective interest method through the maturity dates of the notes.

As of June 22, 2009 the Company had received additional gross proceeds of $906,500 under this private placement of convertible debentures. (See Note 14 of the accompanying consolidated financial statements.)

Other Notes Payable

The Company had a non-interest bearing note payable to a third party for $77,304, which was due in April 2003. The Company made the final payments on the note of $5,000 in April 2008 and $7,000 in May 2008. As of March 31, 2009 and 2008, the remaining unpaid balance was zero and $12,000, respectively.

As of March 31, 2009 and 2008, the Company had aggregate principal balances of $1,129,500 and $1,249,500, respectively, in outstanding unsecured indebtedness owed to five related parties, including four former members of the board of directors, representing working capital advances made to the Company from February 2001 through March 2005. These notes bear interest at the rate of 6% per annum and provide for aggregate monthly principal payments which commenced April 1, 2006 of $2,500, and which increased by an aggregate of $2,500 every six months to the current maximum aggregate payment of $10,000 per month. Any remaining unpaid principal and accrued interest is due at maturity on various dates through March 1, 2015.

Related-party interest expense under these notes was $71,676 and $78,243 for the years ended March 31, 2009 and 2008, respectively. Accrued interest related to these notes, which is included in related party notes payable in the accompanying consolidated balance sheets, amounted to $554,260 and $482,584 as of March 31, 2009 and 2008, respectively. As of March 31, 2009, the Company had not made the required payments under the related party notes which were due on January 1, February 1, and March 1, 2009. However, pursuant to the note agreements, the Company has a 120-day grace period to pay missed payments before the notes are in default. On April 29, 2009, May 30, 2009, and June 26, 2009, the Company paid the January 1, February 1 and March 1 payments respectively, due on these related party notes. Management expects to continue to pay all payments due prior to the expiration of the 120-day grace periods.

In August 2006, Peter Berry, the Company's former Chief Executive Officer, agreed to convert his deferred salaries to a long-term note payable. Under the terms of this note, the Company began to make monthly payments of $3,000 to Mr. Berry in January 2007. In January 2008, these monthly payments increased to $6,000 and will remain at that amount until the loan is fully paid in December 2010. Interest of 6% per annum on the outstanding principal balance of the note began to accrue on January 1, 2008. As of March 31, 2009 and 2008, the total amount of deferred salaries and accrued interest under this arrangement was $157,688 and $201,115, respectively, of which $67,688 and $129,115, respectively is recorded as a long-term liability in the accompanying consolidated balance sheets. Interest expense related to this note was $10,573 and $3,165, respectively for the years ended March 31, 2009 and 2008. Accrued interest related to this note payable amounted to $13,738 and $3,165 at March 31, 2009 and 2008, respectively, and is included in the note payable to officer in the accompanying consolidated balance sheets. In January 2009, Mr. Berry agreed to defer the monthly payments of the note due from January 31, 2009 through June 30, 2009. As of March 31, 2009 these unpaid payments totaled $18,000 and are included in the current liability portion of the note payable in the accompanying consolidated balance sheet. Mr. Berry resigned his position as Chief Executive Officer in February 2009, however remains a director on the Board and continues to work as a consultant for the Company.

The following table lists all notes payable and their principal balances as of March 31, 2009:

Lender	Origination Date	Maturity Date	Principal Bal. March 31, 2009	Interest Rate
Private Placement Convertible Debentures	Mar. 2009	Mar. 2010	$60,000	8%
October 2007 and May 2008 Convertible Debentures	Oct. 2007/May 2008	Jul. 2010	$6,681,629	8%
Patrick Mullens	Aug. 2001	Feb. 2015	$338,500	6%
Marc Grossman	Feb. 2001	Feb. 2015	$282,000	6%
David Petreccia	Apr. 2001	Feb. 2015	$239,000	6%
Jeffrey Dell	Aug. 2001	Feb. 2015	$208,000	6%
Raymond Takahashi	Jun. 2003	Jul. 2011	$62,000	6%
Peter Berry	Sep. 2006	Dec. 2010	$143,950	6%

The Company has incurred negative cash flows from operations of $2,586,470 for the year ended March 31, 2009 due to insufficient revenues caused by the delay in ramp up of the CryoPort Express™ System and to the operating costs related to the maintenance of minimal selling, general and administrative and research and development activities to support the further development and ramp up activities of the new product line. These negative cash flows from operations for the year ended March 31, 2009 have been financed primarily through net proceeds from the October 2007 and May 2008 Debentures.

The Company's combined cash balance as of March 31, 2009 was $350,811, including restricted cash. During the period of April 1 through June 22, 2009, the Company received additional financing through a private placement offering of convertible debenture, and net proceeds received by the Company totaled $850,230 (see Note 14 of the accompanying consolidated financial statements).

Based on presently known commitments and plans, the Company expects to fund its continued operations through use of cash on hand, proceeds from the remaining balance expected from the private placement convertible debentures, proceeds from exercises of existing outstanding warrants. In addition, the Company's management recognizes that the Company must obtain additional capital through additional long-term or equity financing to support the continued operations and ramp up of its sales and marketing and manufacturing activities towards the CryoPort Express™ System.

The Company expects to incur capital expenditures for manufacturing and customer support operations expansion commensurate with the full commercialization for the launch of the CryoPort Express™ System and sales volume increases. Future capital expenditures for manufacturing and IT equipment for the launch of the CryoPort Express™ System are expected to be funded out of additional long-term or equity financing

Critical Accounting Policies:

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, however, in the past the estimates and assumptions have been materially accurate and have not required any significant changes. Specific sensitivity of each of the estimates and assumptions to change based on other outcomes that are reasonably likely to occur and would have a material effect is identified individually in each of the discussions of the critical accounting policies described below. Should the Company experience significant changes in the estimates or assumptions which would cause a material change to the amounts used in the preparation of the Company's financial statements, material quantitative information will be made available to investors as soon as it is reasonably available.

The Company believes the following critical accounting policies, among others, affect the Company's more significant judgments and estimates used in the preparation of the Company's consolidated financial statements:

Allowance for Doubtful Accounts. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of the Company's customers to make required payments. The allowance for doubtful accounts is based on specific identification of customer accounts and the Company's best estimate of the likelihood of potential loss, taking into account such factors as the financial condition and payment history of major customers. The Company evaluates the collectability of the Company's receivables at least quarterly. Such costs of allowance for doubtful accounts is subject to estimates based on the historical actual costs of bad debt experienced, total accounts receivable amounts, age of accounts receivable and any knowledge of the customers' ability or inability to pay outstanding balances. If the financial condition of the Company's customers were to deteriorate, resulting in impairment of their ability to make payments, additional allowances may be required. The differences could be material and could significantly impact cash flows from operating activities.

Inventory. The Company writes down its inventories for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand, future pricing and market conditions. Inventory reserve costs are subject to estimates made by the company based on historical experience, inventory quantities, age of inventory and any known expectations for product changes. If actual future demands, future pricing or market conditions are less favorable than those projected by management, additional inventory write-downs may be required and the differences could be material. Such differences might significantly impact cash flows from operating activities. Once established, write-downs are considered permanent adjustments to the cost basis of the obsolete or unmarketable inventories.

Intangible Assets. Intangible assets are comprised of patents and trademarks and software development costs. The Company capitalizes costs of obtaining patents and trademarks which are amortized, using the straight-line method over their estimated useful life of five years. The Company capitalizes certain costs related to software developed for internal use in accordance with AICPA Statement of Position 98-1, *Accounting for Costs of Computer Software Developed or Obtained for Internal Use.* Software development costs incurred during the preliminary or maintenance project stages are expensed as incurred, while costs incurred during the application development stage are capitalized and amortized using the straight-line method over the estimated useful life of the software which is five years. Capitalized costs include purchased materials and costs of services including the valuation of warrants issued to consultants using the Black-Scholes option pricing model.

Impairment of Long-Lived Assets. The Company assesses the recoverability of its long-lived assets by determining whether the depreciation and amortization of long-lived assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of long-lived asset impairment is measured based on fair value and is charged to operations in the period in which long-lived asset impairment is determined by management. Manufacturing fixed assets are subject to obsolescence potential as result of changes in customer demands, manufacturing process changes and changes in materials used. The Company is not currently aware of any such changes that would cause impairment to the value of its manufacturing fixed assets.

Deferred Financing Costs. Deferred financing costs represent costs incurred in connection with the issuance of the convertible notes payable. Deferred financing costs are being amortized over the term of the financing instrument on a straight-line basis, which approximates the effective interest method.

Accrued Warranty Costs. The Company estimates the costs of the standard warranty, included with the reusable shippers at no additional cost to the customer for a period up to one year. These estimated costs are recorded as accrued warranty costs at the time of product sale. These estimated costs are subject to estimates made by the Company based on the historical actual warranty costs, number of products returned for warranty repair and length of warranty coverage.

Revenue Recognition. Product sales revenue is recognized upon passage of title to customers, typically upon shipment of product. Any provision for discounts and estimated returns are accounted for in the period the related sales are recorded. Products are generally sold with right of warranty repair for a one year period but with no right of return. Estimated costs of warranty repairs are recorded as accrued warranty costs as described above. Products shipped to customers for speculation purposes are not considered sold and no revenue is recorded by the Company until sales acceptance is acknowledged by the customer.

Stock-Based Compensation. The Company accounts for share-based payments to employees and directors in accordance with SFAS No. 123(R), *Share-Based Payment*, ("SFAS 123(R)"). SFAS 123(R) requires all share-based payments to employees and directors, including grants of employee stock options and warrants, to be recognized in the consolidated financial statements based upon their fair values. The Company uses the Black-Scholes option pricing model to estimate the grant-date fair value of share-based awards under SFAS 123(R). Fair value is determined at the date of grant. In accordance with SFAS 123(R), the consolidated financial statement effect of forfeitures is estimated at the time of grant and revised, if necessary, if the actual effect differs from those estimates. The estimated average forfeiture rate for the years ended March 31, 2009 and 2008 was zero as the Company has not had a significant history of forfeitures and does not expect forfeitures in the future.

SFAS 123(R) requires the cash flows resulting from the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options or warrants to be classified as financing cash flows. Due to the Company's loss position, there were no such tax benefits during the years ended March 31, 2009 and 2008.

The Company accounts for equity issuances to non-employees in accordance with Emerging Issues Task Force ("EITF") Issue No. 96-18, *Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods and Services*. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the third-party performance is complete or the date on which it is probable that performance will occur.

Employee stock-based compensation expense recognized under SFAS No. 123(R) for the year ended March 31, 2009 was $289,497, determined by the Black-Scholes valuation model. As of March 31, 2009, total unrecognized compensation cost, related to unvested stock options and warrants was approximately $287,722, which is expected to be recognized as an expense over a weighted-average period of 3 years. See Note 2 to the Company's consolidated financial statements for additional information.

Convertible Debentures. If the conversion feature of conventional convertible debt provides for a rate of conversion that is below market value, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount pursuant to EITF Issue No. 98-5, *"Accounting for Convertible Securities with Beneficial Conversion Features or Contingency Adjustable Conversion Ratio,"* ("EITF 98-05") and EITF Issue No. 00-27, *"Application of EITF Issue No. 98-5 to Certain Convertible Instruments"* ("EITF 00-27"). In those circumstances, the convertible debt will be recorded net of the discount related to the BCF. The Company amortizes the discount to interest expense over the life of the debt using the effective interest method (see Note 10 of the accompanying consolidated financial statements).

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157 ("SFAS No. 157"), *Fair Value Measurements*. SFAS No. 157 establishes a framework for measuring fair value and expands disclosure about fair value measurements. Specifically, this standard establishes that fair value is a market-based measurement, not an entity specific measurement. As such, the value measurement should be determined based on assumptions the market participants would use in pricing an asset or liability. The expanded disclosures include disclosure of the inputs used to measure fair value and the effect of certain of the measurements on earnings for the period. SFAS No. 157 was effective for fiscal years beginning after November 15, 2007. FASB Staff Position No. FAS 157-2 ("FSP 157-2"), *Effective Date of FASB Statement No. 157* was issued in February 2008. FSP 157-2 delays the effective date of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value at least once a year, to fiscal years beginning after November 15, 2008, and for interim periods within those fiscal years. The adoption of SFAS No. 157 related to financial assets and liabilities did not have a material effect on the Company's consolidated financial statements. The Company is currently evaluating the impact, if any, that SFAS No. 157 may have on its future consolidated financial statements related to non-financial assets and liabilities.

In October 2008, the FASB issued FASB Staff Position No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active* ("FSP No. 157-3"). FSP No. 157-3 clarifies the application of SFAS No. 157 in a market that is not active, and provides an illustrative example intended to address certain key application issues. FSP No. 157-3 is effective immediately, and applies to the Company's March 31, 2009 financial statements. The Company has concluded that the application of FSP No. 157-3 did not have a material impact on its consolidated financial statements as of and for the year ended March 31, 2009.

In June 2008, the Emerging Issues Task Force of the FASB published EITF Issue No. 07-5, *Determining Whether an Instrument is Indexed to an Entity's Own Stock* ("EITF No. 07-5") to address concerns regarding the meaning of "indexed to an entity's own stock" contained in FASB Statement 133, *Accounting for Derivative Instruments and Hedging Activities* . This related to the determination of whether a free-standing equity-linked instrument should be classified as equity or liability. If an instrument is classified as liability, it is valued at fair value, and this value is re-measured on an ongoing basis, with changes recorded in earnings in each reporting period. EITF No. 07-5 is effective for years beginning after December 15, 2008 and earlier adoption is not permitted. Although EITF No. 07-5 is effective for fiscal years beginning after December 15, 2008, any outstanding instrument at the date of adoption will require a retrospective application of the accounting through a cumulative effect adjustment to retained earnings upon adoption. The Company is currently evaluating the impact of EITF No. 07-5 on its consolidated financial statements, but it believes that certain factors of its convertible debentures and warrants that have been previously classified as equity may require liability treatment.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "*Business Combinations*" ("SFAS 141(R)"). SFAS 141(R) replaces SFAS No. 141, "*Business Combinations*", and is effective for the Company for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141(R) requires the new acquiring entity to recognize all assets acquired and liabilities assumed in the transactions, expense all direct transaction costs and account for the estimated fair value of contingent consideration. This standard establishes an acquisition-date fair value for acquired assets and liabilities and fully discloses to investors the financial effect the acquisition will have. The adoption of this pronouncement is not expected to have a material effect on the Company's consolidated financial statements.

In November 2007, the Emerging Issues Task Force issued EITF Issue 07-01 ("EITF 07-01"), *"Accounting for Collaborative Arrangements"*. EITF 07-01 requires collaborators to present the results of activities for which they act as the principal on a gross basis and report any payments received from (made to) other collaborators based on other applicable generally accepted accounting principles in the United States ("GAAP") or, in the absence of other applicable GAAP, based on analogy to authoritative accounting literature or a reasonable, rational, and consistently applied accounting policy election. Further, EITF 07-01 clarified that the determination of whether transactions within a collaborative arrangement are part of a vendor-customer (or analogous) relationship subject to Issue 01-9, "Accounting for Consideration Given by a Vendor to a Customer". EITF 07-01 is effective for fiscal years beginning after December 15, 2008. The Company does not anticipate that the adoption of this standard will have a material impact on its financial statements.

Impact of Contractual Obligations and Commercial Commitments. The following summarizes the Company's contractual obligations at March 31, 2009 and the effects such obligations are expected to have on liquidity and cash flow in future periods.

	Payments Due by Period				
Contractual Obligations	**Total**	**Less than 1 Yr**	**1-3 Years**	**4-5 Years**	**After 5 Years**
Related Party Notes	$ 1,129,500	$ 150,000	$ 224,000	$ 192,000	$ 563,500
Convertible Debentures (a)	6,681,629	4,454,424	2,227,205	-	-
Note Payable to P. Berry	143,950	90,000	53,950	-	-
Line of Credit	90,310	90,310	-	-	-
Private Placement Convertible Debt	60,000	60,000	-	-	-
Total Contractual Cash Obligations	$ 8,105,389	$ 4,844,734	$ 2,505,155	$ 192,000	$ 563,500

(a) Convertible debentures are expected to be paid in equivalent common stock using a contractual conversion rate of $0.51 per common stock share.

Impact of Inflation. From time to time, the Company experiences price increases from third-party manufacturers and these increases cannot always be passed on to the Company's customers. While these price increases have not had a material impact on the Company's historical operations or profitability in the past, they could affect sales in the future.

Results of Operations – Year Ended March 31, 2009 Compared to Year Ended March 31, 2008.

Net Sales. During the year ended March 31, 2009 the Company generated revenues of $35,124 compared to revenues of $83,564 during the year ended March 31, 2008, a decrease of $48,440 (58.0%). These low revenues in both years is primarily due to the Company's shift initiated in mid-2006 in its sales and marketing focus from the reusable shipper product line. Further, the decrease in revenues was caused by the discontinuation of the sales of the reusable shippers early fiscal 2009 to allow resources to focus on the further development and launch of the CryoPort Express™ System and its introduction into the biopharmaceutical industry sector during fiscal 2009 and to the delays in the Company's securing adequate funding for the manufacturing and full commercialization of the CryoPort Express™.

Cost of Sales. Cost of sales for the year ended March 31, 2009 increased $159,781 (41.4%) to $546,152 from $386,371 for the year ended March 31, 2008 as the result of increased fixed overhead manufacturing costs resulting from the Company's discontinuation of the reusable shippers and preparation of manufacturing operation for the launch of the new CryoPort Express™ System during fiscal 2009. During both periods, cost of sales exceeded sales due to fixed manufacturing costs and plant underutilization.

Gross Loss. Gross loss for the year ended March 31, 2009 increased by $208,221 (68.8%) to $511,028 compared to $302,807 for the year ended March 31, 2008. The increase in the gross loss is due to decreased revenues and increased fixed overhead manufacturing costs resulting from the Company's discontinuation of the reusable shippers and preparation of manufacturing operation for the launch of the new CryoPort Express™ System during fiscal 2009.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by $163,491 (6.4%) to $2,387,287 for the year ended March 31, 2009 compared to $2,550,778 for the year ended March 31, 2008 due mainly to a decreased in general and administrative costs of $213,453 (9.6%) which was partially offset by an increase in selling expenses of $49,962 (15.4%). The decrease in general and administrative expenses was primarily due to The Company's efforts to minimize overall costs and diversion of resources to the focus on market development and sales ramp up of the CryoPort Express™ System These general and administrative cost reductions were partially offset by increases in legal and accounting fees, insurance premiums and travel expenses. The increased selling expenses were primarily related to increased advertising and promotional costs, consulting and travel costs as the result of additional market research, product development and the development of customer relationships for the commercialization of the CryoPort Express™ System.

Research and Development Expenses. Research and development expenses increased by $131,151 (78.9%) to $297,378 for the year ended March 31, 2009 as compared to $166,227 for the year ended March 31, 2008 in relation to the progression of the research and development activity, related to the initial development of the web based customer service portal utilized by the CryoPort Express™ System. Further these efforts are expected to lead to the introduction of shippers of varying sizes based on market requirements, constructed of lower cost materials and utilizing high volume manufacturing methods that will make it practical to provide the cryogenic packages offered by the CryoPort Express™ System. Other research and development effort has been directed toward third party certification testing and improvements to the liquid nitrogen retention system to render it more reliable in the general shipping environment and to the design of the outer packaging.

Interest Expense. Interest expense increased $1,100,665 to $2,693,383 for the year ended March 31, 2009 as compared to $1,592,718 for the year ended March 31, 2008. This increase is primarily due to the interests costs related to the convertible debentures issued in October 2007 and May 2008 including primarily increases of $1,008,130 resulting from the amortization of additional debt discounts and $150,913 of interest expense on the face value of the debentures which were partially offset by reductions in amortization of deferred financing fees and interest expense for related party notes payable as the result of the payments made against the principal note balances.

Interest Income. The Company recorded interest income of $32,098 for the year ended March 31, 2009 as compared to $50,076 for the year ended March 31, 2008 as the result of decreased cash balances related to the use of funds for operations during the year.

Loss on Extinguishment of Debt. The Company incurred a total combined loss on extinguishment of debt of $10,846,573 during the year ended March 31, 2009 as the result of the resulting change in valuation of the debt and related warrants associated with the Amendments to the October 2008 Debentures in April 2008, August 2008 and January 2009 and the change in valuation of the debt and related warrants associated with the January 2009 Amendment to the May 2008 Debentures (See Note 10 of the accompanying consolidated financial statements.) The loss consists of a combined total loss on extinguishment of debt on the October 2007 Debentures of $9,449,498 and $1,397,075 on the May 2008 Debenture. There was no loss on extinguishment of debt during the year ended March 31, 2008.

Net Loss. As a result of the factors described above, the net loss for the year ended March 31, 2009 increased by $12,141,097 (266%) to $16,705,151 or ($0.41) per share compared to $4,564,054 or ($0.12) per share for the year ended March 31, 2008.

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

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements and Notes thereto and the Report of Independent Registered Public Accounting Firm appearing on pages F-1 through F-51 of Exhibit 13.1 are incorporated herein by reference to this Annual Report on Form 10-K.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

As of the end of the period covered by this report, the Company's management, under the supervision and with the participation of the Chief Executive Officer and Vice President of Finance, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, and section 404 of the Sarbanes-Oxley Act). Based upon that evaluation, the Chief Executive Officer and Vice President of Finance concluded that the Company's disclosure controls and procedures were effective to provide reasonable assurance that material information relating to the Company is made known to management, including the Chief Executive Officer and Vice President of Finance. They have concluded, after evaluating the effectiveness of the Company's disclosure controls and procedures as of March 31, 2009, that, as of that date, the Company's disclosure controls and procedures were effective and designed to ensure that material information relating to the Company would be made known to them by others.

Changes in Internal Control Over Financial Reporting.

There have been no significant changes in the Company's internal controls over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Management's Report on Internal Control Over Financial Reporting

The management of Cryoport, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (The Exchange Act) 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. Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Vice President of Finance, an evaluation was conducted of the effectiveness of the Company's internal control over financial reporting based on the framework set forth in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation under the framework set forth in *Internal Control – Integrated Framework* management concluded that the Company's internal control over financial reporting was effective as of March 31, 2009.

An internal control system over financial reporting has inherent limitations and may not prevent or detect misstatements. Therefore even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

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

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10: DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers of the Registrant:

The following table sets for the name and age of each director and executive officer, the year first elected as a director and/or executive officer and the position(s) held with the Company:

Name	Age	Position	Date Elected
Non-employee Directors:			
Thomas Fischer, PhD	62	Director, Vice Chairman of the Board	2005
Carlton M. Johnson, Jr	48	Director, Secretary of the Board (a)	2009
Peter Berry	61	Director (b)	2003
Adam M. Michelin	65	Director	2005
Gary C. Cannon	58	Director (former) (c)	2005
Stephen L. Scott	57	Director (former) (d)	2005
Executive Officers:			
Larry G. Stambaugh	62	Chairman of the Board and Chief Executive Officer, President (e)	2008 - 2009
Dee S. Kelly, CPA	47	CFO, Vice President of Finance	2003
Kenneth G. Carlson	55	Vice President of Sales and Marketing	2005
Bret Bollinger	42	Vice President of Operations	2008
Peter Berry	60	Former Chief Executive Officer (b)	2003

(a) elected to the Board on May 4, 2009.
(b) resigned as Chief Executive Officer on February 20, 2009 and remains a Director and Advisory Consultant
(c) resigned from the Board May 4, 2009
(d) resigned from the Board November 7, 2008
(e) elected to the Board on December 5, 2009, and CEO, President on February 20, 2009

Background of Directors and Officers:

Thomas S. Fischer, PhD, became a director of Cryoport, Inc. in 2005. He is currently Vice-Chairman of the Board and is chairman of the Compensation and Governance Committee as well as a member of the Audit Committee. Dr. Fischer has over 30 years of experience as a healthcare executive. Currently retired, he provides limited consulting for healthcare organizations. Since 2007 he has been president of Bear Creek Consulting, LLC, a golf club management company. Dr. Fischer served as Senior Vice President and Chief Administrative Officer at Blue Shield of California from 1997 to 1999, and as Senior Vice President, Chief Information Officer from 1994 to 1997. Prior to Blue Shield, he held similar senior management positions with Kaiser Foundation Health Plan, Inc. Dr. Fischer obtained his Doctor of Philosophy in Mathematics from the University of Nebraska and his Bachelor of Science and Master of Science degrees from Portland State University. He is also a graduate of Harvard Business School's Advanced Management Program.

Carlton M. Johnson, was elected as a director and Secretary to the Board on May 4, 2009. Mr. Johnson has been In-House Legal Counsel for Roswell Capital Partners, LLC since 1996. Mr. Johnson has been a member of the Alabama Bar since 1986, the Florida Bar since 1988 and the State Bar of Georgia since 1997. He was a shareholder in the Pensacola, Florida Bar Registered (AV rated) law firm of, Smith, Sauer, DeMaria & Johnson from 1988 to 1996. Mr. Johnson holds a degree in History/Political Science from Auburn University and Juris Doctorate from Samford University, Cumberland School of Law. Mr. Johnson also serves on the boards of Peregrine Pharmaceuticals, Inc. and Patriot Scientific Corporation. Mr. Johnson's appointment to the Board fulfills and agreement between the Company and BridgePointe Master Fund Ltd. to have a representative of BridgePointe on the Company's board of directors pursuant to the Company's October 2007 and May 2008 Convertible Debentures as amended January 27, 2009.

Peter Berry, has served as a member of the Company's Board of Directors since December 2002. From December 2002 to February 2009 Mr. Berry served as the Company's President and Chief Executive Officer, and he continues to serve as a Board director and as a consultant for the Company in an advisory role. Mr. Berry joined CryoPort Systems, Inc. as a consultant in 2002 and became its President, Chief Executive Officer, Chief Operating Officer and a member of its Board of Directors in 2003. Prior to joining the Company, Mr. Berry was Vice President Sales & Marketing for BOC Cryostar, AG in Switzerland from 1996 to 2000 and principal of a private consulting practice from 2001 to 2003. Mr. Berry has over 30 years executive experience in cryogenic equipment with Union Carbide, BOC Group and MVE International. He also has business start up, turnaround, sales/marketing and operations background experience, both domestic and international, in manufacturing and service based industries.

Adam M. Michelin, became a member of the Company's Board of Directors in June 2005 and serves as the Chairman of the Audit Committee. Mr. Michelin is currently the President and Chief Executive Officer, of Redux Holdings, Inc. a position he has held since January 2006. Mr. Michelin has held several executive leadership positions including, CEO for Enterprise Group from March 2005, Principle of Kibel Green, Inc., a position he held for 11 years prior to joining Enterprise Group, and Partner of KPMG for 10 years. Mr. Michelin has over 30 years of practice in the areas of executive leadership, operations and is very experienced in evaluating, structuring and implementing solutions for companies in operational and/or financial crisis. Mr. Michelin received his Juris Doctorate from the University of West Los Angeles and his Bachelor of Science from Tri State University.

Gary C. Cannon, served as Director and Corporate Secretary June 2005 to May 2009. Mr. Cannon continues to serve as Corporate Legal Counsel to the Company and serves on the Company's Advisory Board and Compensation Committee. Prior to joining the Company in June 2005, Mr. Cannon was securities counsel and compliance officer for The Affordable Energy Group, Inc. from November 2004 to May 2005, and general and securities counsel for World Transport Authority, Inc. from July 2003 to November 2004. Mr. Cannon was in private practice from August 2000 to July 2003, and has practiced law for the past 21 years, representing all sizes of businesses in such areas as, formation, mergers and acquisitions, financing transactions, tax planning, and employee relations. Mr. Cannon has done extensive securities work and has served as a compliance officer for companies with respect to the Sarbanes-Oxley Act, and other compliance matters. Mr. Cannon obtained his Juris Doctorate from National University School of Law, his Masters of Business degree from National University and his Bachelor of Arts from United States International University.

Stephen L. Scott served on the Company's board from 2006 to November 2008. Since 1996, Mr. Scott has been President of Technology Acquisition Group. Mr. Scott is a management and organizational consultant with over 20-years experience with diverse manufacturing businesses, including a specific background with developmental stage companies, providing expertise in corporate growth planning, strategic partner development, finance, operations, team building, product opportunity identification, corporate re-engineering and mergers and acquisitions. In addition Mr. Scott has performed projects with Fortune 1000 firms such as IBM, GE, AT&T, Bristol-Myers Squibb, Warner-Lambert, Johnson & Johnson and Ayerst-Wyeth. Mr. Scott received his Juris Doctorate and Masters of Business Administration degrees from National University and his Bachelor of Science degree from the University of Akron.

Larry G. Stambaugh, was elected as the Company's Chairman of the Board on December 5, 2008 and became President and Chief Executive Officer on February 20, 2009. Mr. Stambaugh is currently a Principal of Apercu Consulting, a firm that he established in 2006. From December 1992 to January 2006, Mr. Stambaugh served as Chairman and CEO of Maxim Pharmaceuticals, a public company developing cancer and infectious disease drugs which he co-founded. From December 2007 to February 2008, Mr. Stambaugh reorganized two biotechnology companies owned by Arrowhead Research Corporation, a public holding company, Calando Pharmaceuticals and Insert Therapeutics and served as each of the subsidiaries' CEO. Mr. Stambaugh has more than 30 years experience building global businesses and setting strategies and has an extensive background in life sciences and clean tech including relationships with and knowledge of Contract Research Organizations, biotech and pharmaceutical companies Mr. Stambaugh serves on several boards including EcoDog, Ridge Diagnostics, Corporate Directors Forum and BioCom. Mr. Stambaugh earned his BBA Accounting/Finance from Washburn University in 1969.

Dee S. Kelly, CPA, has served as CFO, Vice President of Finance for the Company since August 2003. Ms. Kelly was formerly with Ernst & Young, LLP and has over 25 years experience in public and private accounting. She has held executive financial positions with international bio-tech and medical device manufacturers. Ms. Kelly joined the Company in 2003. Prior to joining the Company in 2003, Ms. Kelly held positions of Corporate Controller for MacGillivray Freeman Films from 2000 to 2001, Corporate Controller for Masimo Corporation, a manufacturer of patient monitoring devices from 2001 to 2002 and principal of a private consulting practice since 2002. Ms. Kelly also served as Vice President, Controller for Equifax Financial Services, Inc.

Kenneth Carlson, MBA, became Vice President of Sales for the Company in August, 2005. Prior to joining the Company, Mr. Carlson was Vice President, General Manager of Phoenix Life Solutions, LLC, a marketer of defibrillators and emergency response systems. From 2000 to 2003, Mr. Carlson was Vice President, Sales for Falcon Waterfree Technologies, LLC, and from 1999 to 2000 he served as Vice President, Sales for Titan Scan Corporation, a manufacturer of electron-beam sterilization systems for medical products. Mr. Carlson has over 20 years of experience in sales, marketing and senior management roles for medical device and healthcare technology companies such as Johnson & Johnson and Zimmer, Inc. His background has involved strategic planning for start-up and early stage companies, including product introduction and distribution planning. Mr. Carlson received his Bachelor of Science degree from the University of Southern California and his Masters of Business degree from Arizona State University.

Bret Bollinger, became Vice president of Operations for CryoPort in February 2008. Prior to joining the Company, Mr. Bollinger was Director of Operations and Engineering for Triangle Brass Manufacturing from July 2003 to January 2008. Mr. Bollinger served as a Business Process Consultant for Vistant Corporation, a division of Cardinal Health from July of 2001 through July 2003 and as Operations and Order Fulfillment Manager for Ingersoll-Rand's Safety and Security Sector, Falcon Lock Company from July of 1999 to July of 2001. Mr. Bollinger has extensive background in manufacturing environments, including experience with opening both manufacturing and assembly plants domestically as well as in Mexico. In addition, he has experience in new product design and implementation. Mr. Bollinger holds a Bachelor of Science in Mechanical Engineering from Sacramento State University.

The officers of the Company hold office until their successors are elected and qualified, or until their death, resignation or removal.

The following directors hold a directorship in other reporting companies: Adam Michelin is Director, CEO/President and Treasurer of Redux Holdings, Inc. a publicly traded company. Carlton Johnson is Director for both Patriot Scientific Corporation and Peregrine Pharmaceuticals, Inc.

None of the other directors or officers hold a directorship in any other reporting company.

None of the directors or officers listed above has:

- had a bankruptcy petition filed by or against any business of which that person was a general partner of executive officer either at the time of the bankruptcy or within two years prior to that time;
- had any conviction in a criminal proceeding, or been subject to a pending criminal proceeding;
- been subject to any order, judgment, or decree by any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting such person's involvement in any type of business, securities or banking activities;
- been found by a court of competent jurisdiction, the Commission, or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law.

Corporate Governance Guidelines and Corporate Code of Ethics for Principal Executive Officers and Senior Financial Officers.

The Board of Directors exercises oversight of the performance of the Chief Executive Officer and other senior management to assure that the long-tem interests of the shareholders are being served. The Board regularly monitors the effectiveness of management policies and decisions, including the execution of the Company's strategies. The Board of Directors has adopted a Board of Directors Code of Conduct applicable to all directors and has written charters for Board committees which provide the framework for the governance of the Company and are available, free of charge, upon request to the Corporate Secretary, CryoPort, Inc. 20382 Barents Sea Circle, Lake Forest, CA, 92630.

The Board has adopted a Corporate Code of Ethics applicable to the directors, Chief Executive Officer, the Chief Financial Officer, all senior financial officers and all other employees. The Corporate Code of Ethics of the Company is available, free of charge, upon request to the Corporate Secretary, CryoPort, Inc. 20382 Barents Sea Circle, Lake Forest, CA, 92630.

Board of Directors Meetings and Committees:

During the fiscal year ended March 31, 2009, there were eleven meetings of the board of directors as well as several actions taken with the unanimous written consent of the directors. The Board has established an Audit Committee and a Compensation and Governance Committee. The Board is currently reviewing the requirements for and the need to set up an executive committee and other committees to help its board of directors oversee the operations of the Company.

Compensation and Governance Committee

The current members of the Compensation and Governance Committee as appointed by the Board are Thomas Fischer, Chairman, Gary Cannon and Steven Puente. Mr. Cannon resigned from his director position in May 2009, but continues to serve as an Advisory Board member and Corporate Legal Counsel for the Company. Mr. Puente is an Advisory Board member and an outside expert consultant serving on the Compensation and Governance Committee.

Nominating Procedures and Criteria

The Company does not have a formal nominating committee. The function of the nominating committee is handled by the Company's Compensation and Governance Committee.

Compensation Committee Interlocks and Insider Participation

Gary Cannon served as Secretary of the Company from June 2005 to May 2009, none of the other members of the Compensation Committee is or has been an officer or employee of the Company.

Audit Committee

The Company's Board of Directors has a formally established audit committee and an adopted Audit Committee Charter. During the year ended March 31, 2009, the Company's Audit Committee held two meetings. In addition, the audit committee regularly held discussions regarding the consolidated financial statements of the Company during the Board of Directors meetings. The Company has determined that Adam Michelin, Audit Committee Chairman, qualifies as an "audit committee financial expert" as defined in Item 401(h) of Regulation S-K. of the Securities and Exchange Commission rules and is "independent" within the meaning of Rule 4200(a) (15) of the National Association of Securities Dealers. From April 1 to November 7, 2008, Mr. Fischer and Mr. Scott comprised the remaining audit committee members. On November 7, 2008, Mr. Scott resigned his position on the Board of Directors and Audit Committee. Mr. Michelin and Mr. Fischer continue as the remaining members of the audit committee. The audit committee reviews the qualifications of the independent auditors, our annual and interim financial statements, the independent auditor's report, significant reporting or operating issues and corporate policies and procedures as they relate to accounting and financial controls.

Section 16(a) Beneficial Ownership Reporting Compliance.

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors and those persons who beneficially own more than 10% of the Company's outstanding shares of common stock to file reports of securities ownership and changes in such ownership with the Securities and Exchange Commission. Officers, directors, and greater than 10% beneficial owners are also required by rules promulgated by the SEC to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of the copies of such forms furnished to the Company, we believe that during the year ended March 31, 2009, all Section 16(a) filing requirements applicable to our officers, directors and greater than 10% beneficial owners were complied with.

ITEM 11. EXECUTIVE COMPENSATION.

<u>2009 Executive Base Salary and Incentive Compensation Determination</u>

Larry G. Stambaugh

Mr. Stambaugh was elected as Chairman of the Board on December 10, 2008 and subsequently as President and Chief Executive Officer on February 20, 2009. Mr. Stambaugh, works as a consultant for the Company on a monthly retainer basis of $12,000 per month. For the period December 2008 through February 2009 Mr. Stambaugh's fees were recorded as director's fees in his capacity as Chairman of the Board. Once Mr. Stambaugh assumed the President and Chief Executive positions his fees were recorded as executive compensation. On December 10, 2008, based on the recommendation of the Compensation Committee and approval by the Board, Mr. Stambaugh was granted 500,000 warrants exercisable at $0.84 which vest over a three year period from inception date in equal proportion. The exercise price of the warrants is equal to or greater than the fair value of the Company's stock as of the grant date. Mr. Stambaugh does not currently have an employment contract with the Company.

Peter Berry

Mr. Berry served as the Company's President and Chief Executive Officer from April, 2003 to February 20, 2009, when he resigned his position. Mr. Berry continues to serve as a Board director and as a consultant for the Company in an advisory role. Prior to his resignation, Mr. Berry had an annual base salary of $192,000. Mr. Berry's employment agreement with the Company which originally expired November 1, 2005, had been extended annually by approval of the Board and most recently in December 2008, based on the recommendations of the Compensation Committee, for additional one-year terms. Effective November 1, 2007, the Board approved a one year extension of Mr. Berry's employment agreement with a monthly base salary for Mr. Berry of $16,000 for the period of November 1, 2007 to October 31, 2008 and an annual cash bonus of up to 40% of his base salary, based on goals and objectives met as recommended by the Compensation Committee and approved by the full Board of Directors. Effective November 1, 2008, the Board approved an additional one year renewal of Mr. Berry's Employment Agreement with a monthly base salary of $16,000 and an annual cash bonus of up to 50% of his base salary, based on goals and objectives met as recommended by the Compensation Committee and approved by the full Board of Directors. In November and December 2008 Mr. Berry voluntarily took a reduction in his monthly pay to $14,500 per month. In February 2008, the Board approved a $30,000 cash bonus for Mr. Berry. Based on the recommendation of the Compensation Committee and approval by the Board, Mr. Berry was granted incentive awards of 26,200 fully vested warrants exercisable at $0.75 per share on August 27, 2007 and 26,200 fully vested warrants exercisable at $1.07 per share on February 28, 2008. The exercise prices of the warrants are equal to the fair value of the Company's stock as of the grant dates. During his employment term, Mr. Berry also received compensation in the form of health care benefits from the Company. Starting March 1, 2009, Peter Berry entered into a Consulting Agreement to provide advisory services to the Company for the period of March 1, 2009 through January 1, 2010. The compensation for Mr. Berry's services under this agreement was set for $16,000 for the month of March 2009 and $28,890 for each month thereafter until expiration of the contract.

Dee S. Kelly

Ms. Kelly has served as the Company's Chief Financial Officer and Vice President, Finance since August 2003. Ms. Kelly, a California licensed Certified Public Accountant, works as a consultant for the Company on a monthly retainer basis of $10,000 per month. As of March 31, 2009, the Company owed Ms. Kelly $4,000 in accrued pay. Based on the recommendation of the Compensation Committee and approval by the Board, Ms. Kelly was granted incentive awards of 61,000 fully vested warrants exercisable at $1.07 per share on February 28, 2008. The exercise price of the warrants is equal to the fair value of the Company's stock as of the grant date. Ms. Kelly does not have an employment contract with the Company.

Kenneth G. Carlson

Mr. Carlson has served as the Company's Vice President of Sales and Marketing since August 2005. During fiscal 2009 Mr. Carlson received monthly salary of $10,000 from April through October and $8,000 per month for November through March 2009. As of March 31, 2009, the Company had accrued $3,000 of current deferred salary owed to Mr. Carlson as the result of voluntary salary deferrals. Mr. Carlson does not work under an employment contract. Based on the recommendation of the Compensation Committee and approval by the Board, Mr. Carlson was granted incentive awards of 65,000 fully vested warrants exercisable at $1.07 per share on February 28, 2008. The exercise price of the warrants is equal to the fair value of the Company's stock as of the grant date. Mr. Carlson also received compensation in the form of health care benefits from the Company.

Bret Bollinger

Mr. Bollinger became the Company's Vice President of Operations in February 2008. Mr. Bollinger currently receives an annual salary of $130,000 per year pursuant to an employment contract. As of March 31, 2009, the Company had accrued $3,000 of current deferred salary owed to Mr. Bollinger as the result of voluntary salary deferral. Under the terms of his employment agreement, Mr. Bollinger is eligible for an annual bonus of up to 50% of his base salary based on goals and objectives met, payable in either cash or warrants, as determined by the Chief Executive Officer and approved by the Board of Directors. As of March 31, 2009, Mr. Bollinger's annual bonus for fiscal 2009 had not yet been determined. Based on the recommendation of the Compensation Committee and approval by the Board, Mr. Bollinger was granted incentive awards of 150,000 warrants exercisable at $1.07 per share on February 28, 2008 which vest at a rate of 50,000 upon grant date, 50,000 on February 28, 2009 and 50,000 on February 28, 2010. The exercise price of the warrants is equal to the fair value of the Company's stock as of the grant date. Mr. Bollinger also receives compensation in the form of health care benefits from the Company.

SUMMARY COMPENSATION TABLE

The table below summarizes the total compensation paid or earned by the Company's Chief Executive Officer, and three other most highly compensated executive officers for the years ended March 31, 2009 and 2008.

Name and Principal Position	Fiscal Year	Salary $	Bonus $	Option and Warrant Awards $ (4)	All Other Compensation $	Total $
Larry Stambaugh, President and						
Chief Executive Officer	2009	$ 12,000	$ -	$ -	$ -	$ 12,000
and Chairman (1)	2008	$ -	$ -	$ -	$ -	$ -
Peter Berry, former President and						
Chief Executive Officer	2009	$ 237,000	$ -	$ -	$ 7,040	$ 244,040
and Director (2)	2008	$ 136,000	$ 30,000	$ 47,395	$ 3,300	$ 216,695
Dee S. Kelly,						
Vice President, Finance (3)	2009	$ 120,000	$ -	$ -	$ -	$ 120,000
	2008	$ 106,000	$ 16,000	$ 64,639	$ -	$ 186,639
Kenneth Carlson,						
Vice President, Sales	2009	$ 110,000	$ -	$ -	$ 5,234	$ 115,234
and Marketing (4)	2008	$ 106,000	$ 14,000	$ 68,877	$ 4,540	$ 193,417
Bret Bollinger,						
Vice President	2009	$ 130,000	$ -	$ 57,398	$ 6,890	$ 194,288
Operations (6)	2008	$ 21,667	$ -	$ 52,983	$ 1,196	$ 75,846

(1) Mr. Stambaugh's compensation as President, Chief Executive Officer starting March 1, 2009. Prior to that Mr. Stambaugh was paid for his services as Chairman of the Board of Directors which is included in the Director compensation table below.

(2) Mr. Berry's compensation for the year ended March 31, 2009 includes $16,000 he received in March 2009 for consulting services performed subsequent to his resignation as President and Chief Executive Officer on February 20, 2009.

(3) Ms. Kelly bills the Company for her earnings as a part-time contract employee and deferred approximately $4,000 and $20,000 of her billings during fiscal year 2009 and 2008, respectively.

(4) Reflects the dollar amount recognized for financial reporting purposes for the years ended March 31, 2009 and 2008, in accordance with SFAS 123(R) of warrant and stock option awards pursuant to the 2002 Stock Option Plan, and thus includes amounts from awards granted in and prior to 2008. Assumptions used in the calculation of these amounts are included in Note 12, Stock Options and Warrants. All stock warrants were granted at the closing market price of the Company's stock on the date of grant. See Note 12 – Stock Options and Warrants.

(5) Salary amount for Mr. Carlson includes $3,000 accrued salary as of March 31, 2009 for a voluntary short-term salary deferral.

(6) Mr. Bollinger became Vice President of Operations in February 2008. At that time, he was granted 150,000 warrants of which 50,000 with a fair value of $52,983, vested upon issuance. The balance of warrants issued to Mr. Bollinger vest 50,000 in February 2009 and 50,000 in February 2010. Mr. Bollinger's Option and Warrant awards for 2009 includes $57,398 related to the vesting of options granted in prior years. Salary amount for Mr. Bollinger includes $3,000 accrued salary as of March 31, 2009 for a voluntary short-term salary deferral.

The All Other Compensation column in the 2009 Summary Compensation Table consists of the following:

Name and Principal Position	Fiscal Year	Perquisites and Other Personal Benefits $	Tax Reimburse-ments $	Insurance Premiums $	Company Contributions to 401(k) plan $ (1)	Severance Payments/ Accruals $	Change in Control Payments /Accruals $	Total $
Larry Stambaugh, President and Chief Executive Officer	2009	$ -	$ -	$ -	$ -	$ -	$ -	$ -
and Chairman	2008	$ -	$ -	$ -	$ -	$ -	$ -	
Peter Berry, former	2009	$ -	$ -	$ 7,040	$ -	$ -	$ -	$ 7,040
Chief Executive Officer and Director	2008	$ -	$ -	$ 3,300	$ -	$ -	$ -	$ 3,300
Dee S. Kelly,	2009	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vice President, Finance	2008	$ -	$ -	$ -	$ -	$ -	$ -	
Kenneth G. Carlson,	2009	$ -	$ -	$ 5,234	$ -	$ -	$ -	$ 5,234
Vice President, Sales and Marketing	2008	$ -	$ -	$ 4,540	$ -	$ -	$ -	$ 4,540
Bret Bollinger,	2009	$ -	$ -	$ 6,890	$ -	$ -	$ -	$ 6,890
Vice President, Operations	2008	$ -	$ -	$ 1,196	$ -	$ -	$ -	$ 1,196

(1) The Company does not currently offer a 401(k) plan due to the low number of eligible employees.

Outstanding Equity Awards at Fiscal Year-End:

The following table provides information on the holdings of equity awards by the named executive officers as of March 31, 2009.

Warrant and Option Awards

Name	Grant Date	Number of Securities Underlying Unexercised Options and Warrants (#) Exercisable	Number of Securities Underlying Unexercised Options and Warrants (#) Unexercisable	Equity Incentive Plan Awards Number of Securities Underlying Unexercised Unearned Options and Warrants (#)	Exercise Price ($)	Expiration Date
Larry Stambaugh	12/5/08	-	-	500,000	$0.84	12/4/18
Peter Berry	11/1/02	500,000	-	-	$0.50	11/1/12
	4/1/03	250,000	-	-	$0.50	4/1/13
	11/1/03	250,000	-	-	$0.60	11/1/13
	8/1/04	210,970	-	-	$0.04	8/1/14
	8/27/07	26,200	-	-	$0.75	8/27/17
	2/28/08	26,200	-	-	$1.07	2/27/18
Dee S. Kelly	10/1/03	75,000	-	-	$0.60	10/1/13
	8/1/04	36,752	-	-	$0.04	8/1/14
	8/3/06	158,500	-	-	$1.00	8/3/16
	1/3/07	61,000	-	-	$0.28	1/3/17
	2/28/08	61,000	-	-	$1.07	2/27/18
Kenneth G. Carlson	8/3/06	157,000	-	-	$1.00	8/3/16
	1/3/07	65,000	-	-	$0.28	1/3/17
	2/28/08	65,000	-	-	$1.07	2/27/18
Bret Bollinger	2/28/08	100,000	-	50,000	$1.07	2/27/18

Aggregated Warrant and Option Exercises in last Fiscal Year and Fiscal Year-End Warrant and Option Values:

			Number of Shares Underlying Unexercised Warrants and Options at March 31, 2009		Value of Unexercised In-the-Money Warrants and Options at March 31, 2009 (1)	
Name	Shares Acquired on Exercise	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
Larry G. Stambaugh	-	-	-	500,000	$ -	$ -
Peter Berry	150,022	$ 135,020	1,263,370	-	$ 135,485	-
Dee S. Kelly	-	-	392,252	-	$ 34,236	-
Kenneth G. Carlson	-	-	287,000	-	$ 16,900	-
Bret Bollinger	-	-	100,000	50,000	$ -	$ -

(1) The values of the unexercised in-the-money warrants and options have been calculated on the basis of the estimated fair market value at March 31, 2009 of based on average selling price of recent unregistered common stock sales of $0.54, less the applicable exercise price, multiplied by the number of shares acquired on exercise.

Pension Benefits

None of the Company's named executive officers are covered by a defined pension plan, defined contribution plan, or other similar benefit plan that provides for payments or other benefits.

Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans

The Company does not maintain any nonqualified compensation plans.

Director Compensation

Compensation for the Board of Directors is governed by the Company's Compensation and Governance Committee. The Company began making cash payments to the directors as approved by the Compensation and Governance Committee in October 2007. Directors who are also employees do not receive any additional compensation for services performed as a member of the Company's Board of Directors or any committees thereof. Non-employee directors other than the Chairman of the Board receive an annual cash retainer fee of $12,700, payable in quarterly installments of $3,175 each. Non-employee directors each receive meeting fees of $1,000 for scheduled quarterly board meetings, $500 for special board meetings and $1,000 for shareholder meetings, if any. Committee members receive fees of $1,000 for audit committee meetings, and $900 for compensation committee meetings. Certain Board positions receive additional quarterly retainer fees as follows: Compensation Committee Chairman $1,250, Board Vice Chairman $1,275, Chairman of the Audit Committee $1,850 and Board Secretary $1,600. The Chairman of the Board position received all inclusive monthly fees of $12,000 until he was also elected as President and Chief Executive Officer in February 2009 at which time these fees became executive compensation as discussed above. From time to time the Company grants stock warrants to the directors with exercise prices equal to the fair value as of grant date based on external expert reports and guidance through the Compensation and Governance Committee recommendations.

Director Compensation Table

The following table sets forth the director compensation of the non-employee directors of the Company during the year ended March 31, 2009.

Director	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Warrant and Option Awards ($) (2)	Total ($)
Larry G. Stambaugh (7)	$ 36,000	—	$ 28,895	$ 64,895
Gary C. Cannon (3)	$ 26,850	—	$ 21,459	$ 48,309
Thomas Fischer (4)	$ 32,550	—	$ 26,408	$ 58,958
Adam M. Michelin (5)	$ 27,600	—	$ 22,140	$ 49,740
Stephen L. Scott (6)	$ 14,775	—	$ 3,417	$ 18,192

(1) Fees Paid in Cash as shown in this schedule represent payments and accruals for directors' services earned for the period of April 1, 2008 through March 31, 2009.

(2) Reflects the dollar amount recognized for financial reporting purposes for the year ended March 31, 2009, in accordance with SFAS 123(R) of warrant and stock option awards pursuant to the 2002 Stock Option Plan, and thus includes amounts from the vesting of awards granted in and prior to 2009. Assumptions used in the calculation of these amounts are included in Note 11, Stock Options and Warrants. All stock warrants were granted at or higher than the closing market price of the Company's stock on the date of grant.

(3) Mr. Cannon was granted 59,200 fully vested warrants with an average exercise price of $0.57 during the year ended March 31, 2009 for his services as a director, Corporate Secretary, and member of the Compensation and Governance Committee. Mr. Cannon serves as General Counsel for the Company pursuant to a retainer arrangement. For the year ended March 31, 2009 he was paid a total of $108,050 for retainer and out of pocket fees. Mr. Cannon was also granted additional 36000 fully vested warrants with an average exercise price of $0.82 and combined Black Scholes valuation of $24,206 as of grant dates, for his legal services during the year ended March 31, 2009 as General Counsel for the company (See Note 13 of the accompanying consolidated financial statements).

(4) Mr. Fischer was granted 59,200 fully vested warrants with an average exercise price of $0.57 during the year ended March 31, 2009 for his for his service as a director, Vice-Chairman, Chairman of the Compensation and Governance Committee and member of the Audit Committee.

(5) Mr. Michelin was granted 49,740 fully vested warrants with an average exercise price of $0.58 during the year ended March 31, 2009 for his for his service as a director and Chairman of the Audit Committee.

(6) Prior to his resignation from the Board on November 7, 2008, Mr. Scott was granted 18,192 fully vested warrants with an average exercise price of $0.84 during the year ended March 31, 2009 for his for his service as a director and member of the Audit Committee.

(7) Mr. Stambaugh was elected on December 10, 2008 as Chairman of the Board for a monthly fee of $12,000. Amounts in this Board Compensation table represent amounts paid to Mr. Stambaugh in his capacity as Chairman of the Board until February 20, 2009 when he was also elected to serve the positions of President and Chief Executive Officer. On December 10, 2009 Mr. Stambaugh was granted incentive awards of 500,000 warrants exercisable at $0.84 per share which vest over a three year period from inception date in equal proportion.

Employment Contracts:

Prior to his voluntary resignation on February 20, 2009, Mr. Berry was subject to an employment agreement with the Company dated November 1, 2002, as amended March 17, 2003, pursuant to which he has been employed as the Company's President and Chief Executive Officer. Based on the recommendations of the Compensation Committee, in December 2005, December 2006, November 2007 and again in December 2008, the Board has approved the extension of Mr. Berry's employment contract for additional one-year terms with the same base salary as that provided for in the last year of the original employment agreement. Under the extended terms of his employment agreement, Mr. Berry's current annual salary is $192,000 and he is eligible for an annual cash bonus of up to 40% of his base salary, based on goals and objectives met as recommended by the Compensation Committee and approved by the full Board of Directors. On November 1, 2002, pursuant to the Agreement, the Company granted Mr. Berry a stock option to purchase up to 500,000 shares of common stock at an exercise price of $.50 per share, which option vested as to 125,000 shares on the first anniversary of the date of grant, and thereafter vests in 36 equal monthly installments through November 11, 2006. In the event that the Company terminates Mr. Berry's employment without "cause", as defined in the Agreement, or fails to renew the Agreement except for "cause", then upon such termination, the Company is obligated to pay to Mr. Berry as severance an amount equal to his then current base salary, plus any earned incentive bonus. In March 2003, the Agreement was amended to reflect Mr. Berry's agreement to a reduced base salary during the first year of $60,000, and agreement to forego eligibility for an incentive bonus for such year. In exchange for the foregoing, the Company granted Mr. Berry an additional stock option to purchase an additional 250,000 shares of its common stock at a price of $.50 per share. The option was vested as to 125,000 shares on the date of grant, and 62,500 shares on each of September 30, 2003 and March 31, 2004. All other terms of the Agreement remained unchanged. The agreement was further amended by board consent, due to the financial condition of the company in 2004 at Mr. Berry's request, to eliminate the 100% bonus provision per the contract in year two and defer this bonus into the third year of the employment contract. This entitled Mr. Berry to earn up to 200% of his then salary in the third contract year. Mr. Berry's bonus earned for the third year of the Agreement was approved for a total of $100,000 which was included in Mr. Berry's accrued salaries as of March 31, 2006 and converted into a note payable during fiscal 2007. Mr. Berry's bonuses earned for the years ended March 31, 2009 and 2007 based on the terms of the agreement were approved by the Board for $30,000 each year. Starting March 1, 2009, Peter Berry entered into a Consulting Agreement to provide advisory services to the Company for the period of March 1, 2009 through January 1, 2010. The compensation for Mr. Berry's services under this agreement was set for $16,000 for the month of March 2009 and $28,890 for each month thereafter until expiration of the contract.

Bret Bollinger is subject to an employment agreement which became effective February 1, 2008 pursuant to which he is employed as the Company's Vice President of Operations. Under the terms of his employment agreement, as approved by the Compensation Committee, Mr. Bollinger's current annual salary is $130,000 and he is eligible for an annual cash bonus of up to 30% to 50% of his base salary based on targeted goals and objectives met, payable in either cash or warrants, as determined by the Chief Executive Officer and approved by the Board of Directors. Based on the recommendation of the Compensation Committee and approval by the Board, Mr. Bollinger was granted incentive awards of 150,000 warrants exercisable at $1.07 per share on February 28, 2009 which vest at a rate of 50,000 upon grant date, 50,000 on February 28, 2009 and 50,000 on February 28, 2010. The exercise price of the warrants is equal to the fair value of the Company stock as of the grant date. In the event that the Company terminates Mr. Bollinger's employment without "cause", as defined in the Agreement, then upon such termination, the Company is obligated to pay to Mr. Bollinger as severance an amount equal to six months of his then current base salary.

The Company has no other employment agreements.

Potential Payments On Termination Or Change In Control:

Pursuant to the terms of Mr. Bollinger's employment agreement, in the event that the Company terminates Mr. Bollinger's employment without "cause" or for change in control of the leadership of the Company as defined by the agreement, as defined in the Agreement, then upon such termination, the Company is obligated to pay to Mr. Bollinger as severance an amount equal to six months of his current base salary. Aside from Mr. Bollinger's employment contracts and one provision in the Company's 2002 Stock Option Plan discussed in the next paragraph, the Company does not provide any additional payments to named executive officers upon their resignation, termination, retirement, or upon a change of control.

The 2002 Stock Option Plan provides that in the event of a "change of control," all options shares will become fully vested and may be immediately exercised by the person who holds the option.

Change in Control Agreements:

There are no understandings, arrangements or agreements known by management at this time which would result in a change in control of CryoPort, Inc. or any subsidiary.

Equity Compensation Plan Information:

The Company currently maintains one equity compensation plan, referred to as the 2002 Stock Incentive Plan (the "2002 Plan"). The Company's Compensation and Governance Committee is responsible for making reviewing and recommending grants of options under this plan which are approved by the Board of Directors. The 2002 Plan, which was approved by its shareholders in October 2002, allows for the grant of options to purchase up to 5,000,000 shares of its common stock. The 2002 Plan provides for the granting of options to purchase shares of the Company's common stock at prices not less than the fair market value of the stock at the date of grant and generally expire ten years after the date of grant. The stock options are subject to vesting requirements, generally 3 or 4 years. The 2002 Plan also provides for the granting of restricted shares of common stock subject to vesting requirements. During fiscal 2009, the Company issued 82,693 shares of common stock resulting from exercises of stock options issued pursuant to the 2002 Plan at an average price of $0.04 per share for proceeds of $3,307 and issued 150,022 shares of common stock from the cashless exercises of a total of 157,000 stock options issued pursuant to the 2002 Plan.

In May 2009, the Company issued 110,345 shares of common stock from exercises of a total of 119,000 cashless stock options issued pursuant to the 2002 Plan. No other restricted shares have been granted pursuant to the 2002 Plan as of June 27, 2009.

The following table sets forth certain information as of March 31, 2009 concerning the Company's common stock that may be issued upon the exercise of options or pursuant to purchases of stock under its 2002 Plan:

	(a)	(b)	(c)
Plan Category	Number of Securities to be Issued Upon the Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders	2,198,920	$0.49	2,511,387
Equity compensation plans not approved by stockholders	N/A	N/A	N/A
	2,198,920	$0.49	2,511,387

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

Security Ownership of Certain Beneficial Owners:

The following table sets forth information with respect to the beneficial ownership of the Company's common stock as of June 27, 2009, by each person or group of affiliated persons known to the Company to beneficially own 5% or more of its common stock, each director, each named executive officer, and all of its directors and named executive officers as a group. As of June 27, 2009, there were 43,913,830 shares of common stock outstanding. Unless otherwise indicated, the address of each beneficial owner listed below is c/o CryoPort, Inc., 20382 Barents Sea Circle, Lake Forest, California 92821.

The following table gives effect to the shares of common stock issuable within 60 days of June 22, 2009, upon the exercise of all options and other rights beneficially owned by the indicated stockholders on that date. Unless otherwise indicated, the persons named in the table have sole voting and sole investment control with respect to all shares beneficially owned:

Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Executive Officers and Directors:		
Peter Berry	1,344,715 (1)	1.4%
Larry G. Stambaugh	125,000 (1)	0.1%
Dee S. Kelly	443,252 (1)	0.5%
Kenneth G. Carlson	287,000 (1)	0.3%
Gary C. Cannon	322,750 (1)	0.3%
Adam M. Michelin	243,500 (1)	0.3%
Thomas S. Fischer, PhD	249,700 (1)	0.3%
Stephen L. Scott	134,531 (1)	0.1%
Bret Bollinger	100,000 (1)	0.2%
Carlton M. Johnson	-	-
All directors and named executive officers as a group (10 persons)	3,312,678	3.5%

Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned (3)
Other Stockholders:		
BridgePointe Master Fund, Ltd.	17,789,834 (1) (2)	4.9%
Enable Growth Partners LP	15,782,810 (1) (2)	4.9%

(1) Includes shares which individuals shown above have the right to acquire as of June 27, 2009, or within 60 days thereafter, pursuant to outstanding stock options and/or warrants as follows: Mr. Stambaugh – 125,000; Mr. Berry - 1,144,370 shares;; Ms. Kelly -443,252 shares; Mr. Carlson – 287,000 shares; Mr. Cannon – 322,750 shares; Mr. Michelin – 243,500 shares; Mr. Fischer – 249,700 shares; Mr. Scott – 134,550 shares; Mr. Bollinger – 162,200 shares; BridgePointe Master Fund, Ltd – 11,039,621 shares and Enable Growth Partners LP – 9,884,576 shares.

(2) Includes shares which individuals shown above have the right to acquire as of March 31, 2009, or within 60 days thereafter, pursuant to outstanding convertible debentures as follows: BridgePointe Master Fund, Ltd – 6,289,295 shares and Enable Growth Partners LP – 4,510,213 shares.

(3) The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any shares as to which the selling stockholder has sole or shared voting power or investment power and also any shares, which the selling stockholder has the right to acquire within 60 days. Nevertheless, for purposes of this table only for each selling stockholder does not give effect to the 4.9% limitation on the number of shares that may be held by each stockholder as agreed to in the warrant held by each selling stockholder which limitation is subject to waiver by the holder upon 61 days prior written notice to us (subject to a further non-waivable limitation of 9.8%)

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

In August 2006, Peter Berry, the Company's former Chief Executive Officer, agreed to convert his deferred salaries to a long-term note payable. Under the terms of this note, the Company began to make monthly payments of $3,000 to Mr. Berry in January 2007. In January 2008, these monthly payments increased to $6,000 and will remain at that amount until the loan is fully paid in December 2010. Interest of 6% per annum on the outstanding principal balance of the note began to accrue on January 1, 2008. As of March 31, 2009 and 2008, the total amount of deferred salaries and accrued interest under this arrangement was $157,688 and $201,115, respectively, of which $67,688 and $129,115, respectively is recorded as a long-term liability in the accompanying consolidated balance sheets. Interest expense related to this note was $10,573 and $3,165, respectively for the years ended March 31, 2009 and 2008. Accrued interest related to this note payable amounted to $13,738 and $3,165 at March 31, 2009 and 2008, respectively, and is included in the note payable to officer in the accompanying consolidated balance sheets. In January 2009, Mr. Berry agreed to defer the monthly payments of the note due from January 31, 2009 through June 30, 2009. As of March 1, 2009 these unpaid payments totaled $18,000 and are included in the current liability portion of the note payable in the accompanying consolidated balance sheet. (see Note 9 of the accompanying consolidated financial statements). Mr. Berry resigned his position as Chief Executive Officer in February 2009, however remains a director on the Board and continues to work as a consultant for the Company. Starting March 1, 2009, Peter Berry entered into a Consulting Agreement to provide advisory services to the Company for the period of March 1, 2009 through January 1, 2010. The compensation for Mr. Berry's services under this agreement was set for $16,000 for the month of March 2009 and $28,890 for each month thereafter until expiration of the contract.

Since June 2005, the Company has retained the legal services of Gary C. Cannon, Attorney at Law, for a monthly retainer fee. From June 2005 to May 2009, Mr. Cannon also served as the Company's Secretary and a member of the Company's Board of Directors. Mr. Cannon continues to serve as Corporate Legal Counsel for the Company and serves as a member of the Advisory Board. In December 2007, Mr. Cannon's monthly retainer for legal services was increased from $6,500 per month to $9,000 per month. During the years ended March 31, 2009 and 2008, the total amount expensed by the Company for retainer fees and out of pocket expenses was $108,050 and $88,248, respectively. From October 2008 through March 31, 2009 Mr. Cannon agreed to defer a portion of his monthly payments and as of March 31, 2009 a total of $15,000 had been deferred is included in accounts payable in the accompanying consolidated balance sheet. Additionally, during the years ended March 31, 2009 and 2008, the Company expensed board fees for Mr. Cannon totaling $24,000 and $12,650, respectively and at March 31, 2009 $15,000 of deferred board fees was included in accrued expenses. During fiscal year 2009 Mr. Cannon was granted a total of 95,150 warrants with an average exercise price of $0.67 per share, and 72,800 warrants with an average exercise price of $0.93 during fiscal 2008. All warrants granted to Mr. Cannon were issued with an exercise price of greater than or equal to the fair value of the Company's shares on the grant date.

As of March 31, 2009 and 2008, the Company had aggregate principal balances of $1,129,500 and $1,249,500, respectively, in outstanding unsecured indebtedness owed to five related parties, including four former members of the board of directors, representing working capital advances made to the Company from February 2001 through March 2005. These notes bear interest at the rate of 6% per annum and provide for aggregate monthly principal payments which commenced April 1, 2006 of $2,500, and which increased by an aggregate of $2,500 every six months to the current maximum aggregate payment of $10,000 per month. Any remaining unpaid principal and accrued interest is due at maturity on various dates through March 1, 2015. Related-party interest expense under these notes was $71,646 and $78,243 for the years ended March 31, 2009 and 2008, respectively. Accrued interest, which is included in related party notes payable in the accompanying consolidated balance sheets, related to these notes amounted to $554,260 and $482,584 as of March 31, 2009 and 2008, respectively. As of March 31, 2009, the Company had not made the required payments under the related party notes which were due on January 1, February 1, and March 1, 2009. However, pursuant to the note agreements, the Company has a 120-day grace period to pay missed payments before the notes are in default. On April 29, 2009, May 30, 2009, and June 26, 2009, the Company paid the January 1, February 1 and March 1 payments respectively, due on these related party notes. Management expects to continue to pay all payments due prior to the expiration of the 120-day grace periods (see Note 13 of the accompanying consolidated financial statements).

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The Audit Committee which is currently composed of two independent directors and the Company's Vice President of Finance, has selected KMJ Corbin & Company LLP as independent accountants to audit the Company's books, records, accounts and financial statements for the fiscal year ended March 31, 2009. KMJ Corbin & Company LLP previously audited the Company's financial statements during the fiscal year ended March 31, 2008.

Audit, Audit Related, Tax and Non-Audit Fees:

Aggregate fees for professional services rendered to the Company by KMJ Corbin & Company LLP for the years ended March 31, 2009 and 2008 were as follows:

Services Provided	2009	2008
Audit Fees	$ 90,645	$ 70,360
Audit Related Fees	8,030	15,700
Tax Fees	6,330	8,520
All Other Fees	-	-
Total	$ 105,005	$ 94,580

Audit Fees. The aggregate fees billed for the years ended March 31, 2009 and 2008 were for the audits of the Company's financial statements and reviews of the interim financial statements included in the annual and quarterly reports.

Audit Related Fees. Audit related fees for the year ended March 31, 2009 were incurred as a result of the Company's S-1 and S-8 filings. There were no fees billed for the year ended March 31, 2008 for the audit or review of the Company's financial statements that are not reported under Audit Fees.

Tax Fees. The aggregate fees billed for the years ended March 31, 2009 and 2008 for professional services related to tax compliance, tax advice and tax planning.

All Other Fees. There were no other fees billed for the years ended March 31, 2009 and 2008 other than the services described above.

Audit Committee Pre-Approval Policies and Procedures:

The Audit Committee has implemented pre-approval policies and procedures related to the provision of audit and non-audit services. Under these procedures, the Audit Committee pre-approves both the type of services to be provided by KMJ Corbin & Company LLP and the estimated fees related to these services.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENTS

(a) 1. Financial Statements

The Consolidated Financial Statements and Report of Independent Registered Public Accounting Firm are included in Exhibit 13.1 and are incorporated herein by reference pursuant to Item 8 of this Annual Report on Form 10-K.

Index to Financial Statements

	Page in Exhibit 13.1
Report of Independent Registered Public Accounting Firm	F-1
Consolidated Balance Sheets at March 31, 2009 and 2008	F-2
Consolidated Statements of Operations for each of the two years in the period ended March 31, 2009	F-3
Consolidated Statements of Stockholders' Deficit for each of the two years in the period ended March 31, 2009	F-4
Consolidated Statements of Cash Flows for each of the two years in the period ended March 31, 2009	F-5
Notes to Consolidated Financial Statements	F-7

2. Financial Statement Schedules

All financial statement schedules are omitted because they were not required or the required information is included in the Consolidated Financial Statements and the related Notes thereto located in Exhibit 13.1.

3. Exhibit Index

See Exhibit Index on page 64 of this Annual Report on Form 10-K.

(b) Exhibits

See Exhibit Index on page 64 of this Annual Report on Form 10-K

(c) Financial Statement Schedules

See (a)(2) above.

SIGNATURES

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

CryoPort, Inc.

Dated: July 1, 2009

By: /s/ Larry G. Stambaugh
Larry G. Stambaugh
President and Chief Executive Officer

Dated: July 1, 2009

By: /s/ Dee S. Kelly
Dee S. Kelly
Chief Financial Officer, V.P. Finance

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been duly signed below by the following persons on behalf of the registrant and in the capacities and dates indicated.

Signatures	Title	Date
/s/ Larry G. Stambaugh Larry G. Stambaugh	Chairman of the Board, President, Chief Executive Officer	July 1, 2009
/s/ Thomas Fischer Thomas Fischer, PhD	Vice Chairman of the Board of Directors	July 1, 2009
/s/ Carlton M. Johnson Carlton M. Johnson	Secretary and Director	July 1, 2009
/s/ Adam M. Michelin Adam M. Michelin	Director	July 1, 2009
/s/ Peter Berry Peter Berry	Director	July 1, 2009

Item 15(a)3 **Exhibit Index**

Exhibits 32.1 and 32.2 are furnished herewith and should not be deemed to be "filed under the Securities Exchange Act of 1934."

Exhibit Number	Document
3.1	Corporate Charter for G.T.5-Limited issued by the State of Nevada on March 15, 2005.
3.2	Articles of Incorporation for G.T.5-Limited filed with the State of Nevada in May 25, 1990.
3.3.	Amendment to Articles of Incorporation of G.T.5-Limited increasing the authorized shares from 5,000,000 to 100,000,000 shares filed with the State of Nevada on October 12, 2004.
3.4	Amendment to Articles of Incorporation changing the name of the corporation from G.T.5-Limited to CryoPort, Inc. filed with the State of Nevada on March 16, 2005.
3.4.1	Amended and Restated Articles of Incorporation dated October 19, 2008.
3.5	Amended and Restated By-Laws of CryoPort, Inc. adopted by the Board of Directors on June 22, 2005.
3.6	Articles of Incorporation of CryoPort Systems, Inc. filed with the State of California on December 11, 2000, including Corporate Charter for CryoPort Systems, Inc. issued by the State of California on December 13, 2000.
3.7	By-Laws of CryoPort Systems, Inc. adopted by the Board of Directors on December 11, 2000.
3.8	CryoPort Systems, Inc. Stock Certificate Specimen.
3.9	Code of Conduct for CryoPort, Inc. pending adoption by Board of Directors.
3.10	Code of Ethics for Senior Officers of CryoPort, Inc. and subsidiaries pending adoption by Board of Directors.
3.11	Statement of Policy on Insider Trading pending adoption by Board of Directors.
3.12	CryoPort, Inc. Audit Committee Charter, under which the Audit Committee will operate, adopted by the Board of Directors on August 19, 2005.
3.13	CryoPort Systems, Inc. 2002 Stock incentive Plan adopted by the Board of Directors on October 1, 2002.
3.14	Stock Option Agreement ISO - Specimen adopted by the Board of Directors on October 1, 2002.
3.15	Stock Option Agreement NSO – Specimen adopted by Board of Directors on October 1, 2002.
3.16	Warrant Agreement – Specimen adopted by the Board of Directors on October 1, 2002.
3.17	Patents and Trademarks
3.17.1	CryoPort Systems, Inc. Patent #6,467,642 information sheet and Assignment to CryoPort Systems, Inc. document.
3.17.2	CryoPort Systems, Inc. Patent #6,119,465 information sheet and Assignment to CryoPort Systems, Inc. document.
3.17.3	CryoPort Systems, Inc. Patent #6,539,726 information sheet and Assignment to CryoPort Systems, Inc. document.
3.17.4	CryoPort Systems, Inc. Trademark #7,583,478,7 information sheet and Assignment to CryoPort Systems, Inc. document.

3.17.5	CryoPort Systems, Inc. Trademark #7,586,797,8 information sheet and Assignment to CryoPort Systems, Inc. document.
3.17.6	CryoPort Systems, Inc. Trademark #7,748,667,3.
3.17.7	CryoPort Systems, Inc. Trademark #7,737,454,1.
4.1	Form of Debenture – Original Issue Discount 8% Secured Convertible Debenture dated September 28, 2007.
4.1.1	Amendment to Convertible Debenture dated February 19, 2008.
4.1.2	Amendment to Convertible Debenture dated April 30, 2008.
4.1.2.1	Annex to Amendment to Convertible Debenture dated April 30, 2008.
4.1.3	Amendment to Convertible Debenture dated August 29, 2008.
4.1.4	Amendment to Convertible Debenture effective January 27, 2008 and dated February 20, 2009.
4.2	Form of Common Stock Purchase Warrant dated September 28, 2007.
4.3	Original Issue Discount 8% Secured Convertible Debenture dated May 30, 2008.
4.4	Common Stock Purchase Warrant dated May 30, 2008.
4.5	Common Stock Purchase Warrant dated May 30, 2008.
10.1	Contracts
10.1.1	Stock Exchange Agreement associated with the merger of G.T.5-Limited and CryoPort Systems, Inc. signed on March 15, 2005.
10.1.2	Commercial Promissory Note between CryoPort, Inc. and D. Petreccia executed on August 26, 2005.
10.1.3	Commercial Promissory Note between CryoPort, Inc. and J. Dell executed on September 1, 2005.
10.1.4	Commercial Promissory Note between CryoPort, Inc. and M. Grossman executed on August 25, 2005.
10.1.5	Commercial Promissory Note between CryoPort, Inc. and P. Mullens executed on September 2, 2005.
10.1.6	Commercial Promissory Note between CryoPort, Inc. and R. Takahashi executed on August 25, 2005.
10.1.7	Lease Agreement between CryoPort Systems, Inc. and Brea Hospital Properties, LLC, executed on March 11, 2005.
10.18	Exclusive and Representation Agreement between Cryoport Systems, Inc. and CryoPort Systems, Ltda. executed on August 9, 2001.
10.1.9	Secured Promissory Note and Loan Agreement between Ventana Group, LLC and CryoPort, Inc. dated May 12, 2006.
10.2	Letter of Intent dated January 3, 2007, by CryoPort, Inc. and Commodity Sourcing Group.
10.2.1	Corrected Letter of Intent dated January 3, 2007, by CryoPort, Inc. and Commodity Sourcing Group.
10.3	Business Alliance Agreement dated April 27, 2007, by CryoPort, Inc. and American Biologistics Company LLC.
10.3.1	Corrected Business Alliance Agreement dated April 27, 2007, by CryoPort, Inc. and American Biologistics Company LLC.
10.4	Consultant Agreement dated April 18, 2007 between CryoPort, Inc. and Malone and Associates, LLC.

10.5	Lease Agreement dated July 2, 2007 between CryoPort, Inc. and Viking Investors – Barents Sea LLC.
10.6	Securities Purchase Agreement dated September 27, 2007.
10.7	Registration Rights Agreement dated September 27, 2007.
10.8	Security Agreement dated September 27, 2007.
10.9	Sitelet Agreement between FedEx Corporate Services, Inc. and CryoPort Systems, Inc. dated January 23, 2008.
10.10	Securities Purchase Agreement dated May 30, 2008.
10.11	Registration Rights Agreement dated May 30, 2008.
10.12	Waiver dated May 30, 2008
10.13	Security Agreement dated May 30, 2008.
10.14	Termination of Services Letter to First Capital Investors dated August 3, 2007.
10.15	Board of Directors Agreement between Larry G. Stambaugh and CryoPort, Inc. dated December 10, 2008.
*10.16	Rental Agreement with FedEx Corporate Services and CryoPort, Systems Inc. dated May 15, 2009 (the Company has filed a Confidential Treatment Request under Rule 24b-5 of the Securities Exchange Act of 1934, for parts of this document).
17.1	Resignation Letter from Stephen Scott dated November 7, 2008.
*17.2	Resignation Letter from Peter Berry dated February 20, 2009.
*17.3	Resignation Letter from Gary C. Cannon dated May 4, 2008.
*13.1	Consolidated Financial Statements and related Notes thereto.
*23.1	Consent of Independent Registered Public Accounting Firm - KMJ Corbin & Company LLP.
*31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
*31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
*32.1	Certification Pursuant to U.S.C. §1350 of Chief Executive Officer
*32.2	Certification Pursuant to U.S.C. §1350 of Chief Financial Officer
*	filed herewith

EXHIBIT INDEX

Exhibit No.	Description
3.1	State of Nevada Corporate Charter for G.T. 5- Limited, Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.2	Articles of Incorporation Of G.T 5-Limited, Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.3	Amendment to Articles of Incorporation of G T. 5-Limited issue 100M shares Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.4	Amendment of Articles of Incorporation of G.T.5-Limited name change to CryoPort, Inc, Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.4.1	Amended and Restated Articles of Incorporation, Incorporated by reference to the Company's Current Report on Form 8-K dated October 19, 2007.
3.5	Amended and Restated By-Laws Of CryoPort, Inc. Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.6	Articles of Incorporation CryoPort Systems, Inc. Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.7	By-Laws of CryoPort Systems, Inc. Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.8	CryoPort, Inc. Stock Certificate Specimen Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.9	Code of Conduct for CryoPort, Inc. Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.10	Code of Ethics for Senior Officers Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.11	Statement of Policy on Insider Trading Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.12	CryoPort, Inc. Audit Committee Charter Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.13	CryoPort Systems, Inc. 2002 Stock Incentive Plan Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.14	Stock Option Agreement ISO – Specimen Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.15	Stock Option Agreement NSO –Specimen Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.16	Warrant Agreement – Specimen Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
3.17	Patents and Trademarks
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3.17.2	CryoPort Systems, Inc. Patent #6,119,465 On File with Company
3.17.3	CryoPort Systems, Inc. Patent #6,539,726 On File with Company
3.17.4	CryoPort Systems, Inc. Trademark #7,583,478,7 On File with Company
3.17.5	CryoPort Systems, Inc. Trademark #7,586,797,8 On File with Company
3.17.6	CryoPort Systems, Inc. Trademark #7,748,667,3 incorporated by reference to the Company's Form 10-Q dated December 31, 2008
3.17.7	CryoPort Systems, Inc. Trademark #7,737,454,1 filed herewith.
4.1	Form of Debenture – Original Issue Discount 8% Secured Convertible Debenture dated September 28, 2007. Incorporated by reference to the Company's Registration Statement on Form SB-2 dated November 9, 2007.
4.1.1	Amendment to Convertible Debenture dated February 19, 2008. Incorporated by reference to the Company's Current Statement on Form 8-K dated March 7, 2008.
4.1.2	Amendment to Convertible Debenture dated April 30, 2008. Incorporated by reference to the Company's Current Statement on Form 8-K dated April 30, 2008.
4.1.2.1	Annex to Amendment to Convertible Debenture dated April 30, 2008. Incorporated by reference to the Company's Current Statement on Form 8-K dated April 30, 2008.
4.1.3	Amendment to Convertible Debenture dated August 29, 2008. Incorporated by reference to the Company's Current Statement on Form 8-K dated September 3, 2008.
4.1.4	Amendment to Convertible Debenture effective January 27, 2009 and dated February 20, 2009. Incorporated by reference to the Company's Current Statement on Form 8-K dated February 25, 2009.
4.2	Form of Common Stock Purchase Warrant dated September 28, 2007. Incorporated by reference to the Company's Registration Statement on Form SB-2 dated November 9, 2007.
4.3	Original Issue Discount 8% Secured Convertible Debenture dated May 30, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated June 9, 2008.
4.4	Common Stock Purchase Warrant dated May 30, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated June 9, 2008
4.5	Common Stock Purchase Warrant dated May 30, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated June 9, 2008.
10.1	Contracts
10.1.1	Stock Exchange Agreement associated with the merger of G.T.5-Limited and CryoPort Systems, Inc. dated 03/05/01. Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
10.1.2	Commercial Promissory Notes between CryoPort, Inc. and D. Petreccia Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
10.1.3	Commercial Promissory Notes between CryoPort, Inc. and J. Dell Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.

10.1.4	Commercial Promissory Notes between CryoPort, Inc. and M. Grossman Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
10.1.5	Commercial Promissory Notes between CryoPort, Inc. and P. Mullens Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
10.1.6	Commercial Promissory Notes between CryoPort, Inc. and R. Takahashi Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
10.1.7	Lease Agreement between CryoPort Systems, Inc. and Brea Hospital Properties, LLC. Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
10.1.8	Exclusive and Representation Agreement Between CryoPort Systems, Inc. and CryoPort Systems Ltda. Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
10.1.9	Secured Promissory Note and Loan Agreement between Ventana Group, LLC and CryoPort, Inc. dated May 12, 2006 Incorporated by reference to the Company's Registration Statement on Form 10-SB/A4 dated February 23, 2006.
10.2	Letter of Intent dated January 3, 2007, by CryoPort, Inc. and Commodity Sourcing Group Incorporated by reference to the Company's Current Report on Form 8-K dated April 27, 2007.
10.2.1	Corrected Letter of Intent dated January 3, 2007, by CryoPort, Inc. and Commodity Sourcing Group Incorporated by reference to the Company's Current Report on Form 8-K/A dated May 2, 2007.
10.3	Business Alliance Agreement dated April 27, 2007, by CryoPort, Inc. and American Biologistics Company LLC Incorporated by reference to the Company's Current Report on Form 8-K dated April 27, 2007.
10.3.1	Corrected Business Alliance Agreement dated April 27, 2007, by CryoPort, Inc. and American Biologistics Company LLC Incorporated by reference to the Company's Current Report on Form 8-K/A dated May 2, 2007.
10.4	Lease Agreement dated July 2, 2007 between CryoPort, Inc. and Viking Investors – Barents Sea LLC. Incorporated by reference to the Company's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2007.
10.5	Consultant Agreement dated April 18, 2007 between CryoPort, Inc. and Malone and Associates, LLC. Incorporated by reference to the Company's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2007.
10.6	Securities Purchase Agreement dated September 27, 2007. Incorporated by reference to the Company's Registration Statement on Form SB-2 dated November 9, 2007.
10.7	Registration Rights Agreement dated September 27, 2007. Incorporated by reference to the Company's Registration Statement on Form SB-2 dated November 9, 2007.
10.8	Security Agreement dated September 27, 2007. Incorporated by reference to the Company's Registration Statement on Form SB-2 dated November 9, 2007.
10.9	Sitelet Agreement between FedEx Corporate Services, Inc. and CryoPort Systems, Inc. dated January 23, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated February 1, 2008.
10.10	Securities Purchase Agreement dated May 30, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated June 9, 2008.
10.11	Registration Rights Agreement dated May 30, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated June 9, 2008.
10.12	Waiver dated May 30, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated June 9, 2008.
10.13	Security Agreement dated May 30, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated June 9, 2008.

10.14	Termination of Services Letter to First Capital Investors dated August 3, 2007. Incorporated by reference to the Company's Current Report on Form 8-K dated August 3, 2008.
10.15	Board of Directors Agreement between Larry G. Stambaugh and CryoPort, Inc. dated December 10, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated January 8, 2009.
10.16	Rental Agreement with FedEx Corporate Services and CryoPort, Systems Inc. dated May 15, 2009 (the Company has filed a Confidential Treatment Request under Rule 24b-5, of the Security Exchange Act of 1933, for parts of this document). Filed Herewith.
13.1	Consolidated Financial Statements and Notes thereto for the periods ended March 31, 2008 and 2007. Filed Herewith.
17.1	Resignation Letter from Stephen Scott dated November 7, 2008. Incorporated by reference to the Company's Current Report on Form 8-K dated November 12, 2008.
17.2	Resignation Letter from Peter Berry dated February 20, 2009. Filed Herewith.
17.3	Resignation Letter from Gary C. Cannon dated May 4, 2008. Filed Herewith.
23.1	Consent of Independent Registered Public Accounting Firm - KMJ Corbin & Company LLP. Filed Herewith.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer. Filed Herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief/Financial Officer. Filed Herewith
32.1	Certification Pursuant to U.S.C. §1350 of Chief Executive Officer. Filed Herewith
32.2	Certification Pursuant to U.S.C. §1350 of Chief Financial Officer. Filed Herewith

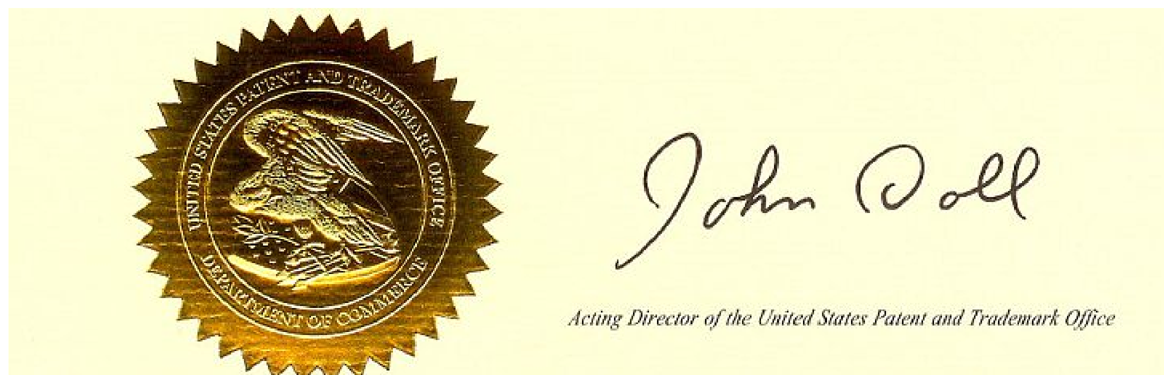
Exhibit 3.17.7

The Mark shown in this certificate has been registered in the United States Patent and Trademark Office to the named registrant.

The records of the United States Patent and Trademark Office show that an application for registration of the Mark shown in this Certificate was filed in the Office, that the application was examined and determined to be in compliance with the requirements of the law and with the regulations prescribed by the Director of the United States Patent and Trademark Office, and that the Applicant is entitled to registration of the Mark under the Trademark Act of 1946, as Amended

A copy of the Mark and pertinent data, from the application are part of this certificate.

To avoid CANCELLATION of the registration, the owner of the registration must submit a declaration of continued use or excusable non-use between the fifth and sixth years after the registration date. *(See next page for more information.) Assuming such a declaration is properly filed, the registration will remain in force for ten (10) years, unless terminated by an order of the Commissioner for Trademarks or a federal court. (See next page for information on maintenance requirements for successive ten-year periods)*



Int. Cl.: 39
Prior U.S. Cls.: 100 and 105

Reg. No. 3,589,928
United States Patent and Trademark Office Registered Mar. 17, 2009

SERVICE MARK
PRINCIPAL REGISTER

Cryoport Express

CRYOPORT SYSTEMS, INC. (NEVADA CORPORATION)
20382 BARENTS SEA CIRCLE
LAKE FOREST, CA 92630

FOR: TRANSPORTATION BY TRUCK, TRAIN OR AIR OF TEMPERATURE SENSITIVE MATERIALS IN THE NATURE OF LIVE CELL BIOLOGICALS AND OTHER FROZEN BIOLOGICAL MATERIAL, IN CLASS 39 (U.S. CLS. 100 AND 105).

FIRST USE 11-1-2006; IN COMMERCE 7-1-2007.

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT, STYLE, SIZE, OR COLOR.

NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "EXPRESS", APART FROM THE MARK AS SHOWN.

SER. NO. 77-374,541, FILED 1-17-2008.

KIMBERLY PERRY, EXAMINING ATTORNEY

Exhibit 10.16

CONFIDENTIAL TREATMENT REQUEST [***] INDICATES INFORMATION THAT HAS BEEN OMITTED PURSUANT TO A CONFIDENTIAL TREATMENT REQUEST UNDER RULE 24b-2 OF THE SECURITIES EXCHANGE ACT OF 1934, THIS INFORMATION HAS BEEN FILED UNDER SEPARATE COVER WITH THE COMMISSION.

RENTAL AGREEMENT

THIS RENTAL AGREEMENT (this "Agreement") dated as of May 15, 2009 (the "Effective Date"), is entered into between CRYOPORT, INC., a Nevada corporation ("Lessor"), having a place of business at 20382 Barents Sea Circle, Lake Forest, California 92630, and FEDERAL EXPRESS CORPORATION, a Delaware corporation ("Lessee"), having a place of business at 3610 Hacks Cross Road, Memphis, Tennessee 38125, with respect to the following facts:

WHEREAS, Lessor has developed certain liquid nitrogen shipping vessels described more specifically in Schedule 1 hereto (each, a "Container"), and related services for the use and transport thereof (the "Related Services").

WHEREAS, Lessee has entered into, or will enter into, one or more agreements to provide certain shipping services for one or more clinical research organizations, clinical research laboratories or similar testing facilities listed on Schedule 2, as amended from time to time by mutual written agreement of the parties hereto (each, a "Customer"), including without limitation to provide cold chain transportation of frozen clinical or biological research or diagnostic specimens from a Customer's health care provider clients (each, a "Provider Client") to such Customer.

WHEREAS, Lessee desires to provide cold chain transportation services between each Customer and its Provider Clients using Containers ("CryoPort Express"), and Lessor and Lessee desire to enter into this Agreement to facilitate such implementation of CryoPort Express on the terms and conditions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, the parties agree as follows:

1. Lease. On the terms and conditions of this Agreement, Lessor hereby leases to Lessee, and Lessee accepts for lease, such Containers as listed on any order placed by either a Customer or a Provider Client and accepted by Lessor in accordance with Section 2 (an "Order"), below, for the prices ("Fees") stated on Schedule 2 hereto or as stated on the applicable Order Confirmation (defined below).

2. Lease Transactions. Each lease of a Container hereunder (each a "Lease Transaction") shall take place as follows, and such policies and procedures as more specifically agreed in writing by the parties:

2.1 Each Customer or Provider Client that desires to use CryoPort Express shall place an Order either directly with Lessor, or with Lessee who in turn shall place such Order with Lessor, each in such manner and by such means as specified by Lessor.

2.2 Lessor will use commercially reasonable efforts to accept or reject an Order as soon as possible and no later than 24 hours from receipt of the Order. Each Order that is accepted shall be evidenced by issuance of an Order confirmation ("Order Confirmation"). The Order Confirmation will confirm for each Lease Transaction the following: (a) the Lessor facility where the Container shall be picked-up to begin the Lease Transaction and delivered to end the Lease Transaction, (b) the name and shipping address of the applicable Provider Client, (c) the shipping address of the applicable Customer, (d) the number and type of leased Container(s), (e) the lease term, and (e) the applicable Fees. Acceptance or rejection of each Order will be communicated to the Provider Client or Customer placing the Order, and each Order Confirmation will be communicated to Lessee. Acceptance of any Order is subject to Container availability. The Provider Client or Customer placing the Order shall have the right to cancel a Lease Transaction four (4) days prior to the Commencement Date. For these purposes, "Commencement Date" means the date that the Lease term commences as indicated on the Order Confirmation. Lessor will make the Container(s) which are the subject of the Order available for pick-up by Lessee on the Commencement Date at the Lessor facility indicated on the Order Confirmation.

2.3 For each Lease Transaction, Lessee shall be responsible for delivering the applicable Container(s) from Lessor's identified facility, to Provider Client's shipping address, to Customer's shipping address, and back to Lessor's identified facility, each during the applicable Lease term, each as set forth on the applicable Order Confirmation.

2.4 For each Lease Transaction, unless Lessor otherwise expressly agrees in writing, Lessee shall not, and shall cause each Customer and Provider Client not to, use the applicable Containers for any purpose other than frozen clinical or biological research or diagnostic specimens, or transport the applicable Container to any party or address other than as specified in the applicable Order Confirmation.

2.5 Lessee shall provide Lessor with periodic good faith estimates of the reasonably anticipated demand for Containers hereunder, which shall be non-binding and for planning purposes only.

3. Movement Lease.

3.1 Containers shall be leased on a per movement basis ("Movement Lease"). Lease Transactions commence on the Commencement Date and end at the end of each movement. A movement is defined as that time when the Container is received by Lessee and completed with the Container has been returned to Lessor, as described in Section 2. The Lessor shall be compensated by payment of the applicable Fees for each Lease Transaction where a Container has been tendered to Lessee for delivery at the commencement of the Lease Transaction. A transaction is defined as a completed delivery and return of the Container.

3.2 If Lessee fails to return to Lessee the applicable Container prior to the end of the lease term as set forth on the applicable Order Confirmation, Lessee additionally shall pay to Lessor the applicable additional Fees specified in Schedule 2 hereto.

3.3 The parties shall specify on Schedule 2 which party shall be responsible for billing and collecting the Fees, together with Lessee's transportation fees, for CrypPort Express for each Customer (and its Provider Clients). For each Lease Transaction for a Customer (and its Provider Clients) for which Lessor is responsible for billings and collections, Lessor shall use the most-current fee schedule of Lessee's transportation fees provided by Lessee for such Customer, and shall remit to Lessee the applicable transportation fees collected within thirty (30) days after collecting the same. For each Lease Transaction for a Customer (and its Provider Clients) for which Lessee is responsible for billings and collections, Lessee shall use the most-current schedule of Fees for such Customer, and shall remit to Lessor the applicable Fees billed within thirty (30) days after billing the same.

4. Delivery and Return.

4.1 Delivery. Lessee shall take possession of the Container(s) on the Commencement Date at the Lessor facility identified on the Order Confirmation. At the time of acceptance, Lessee must inspect the Container(s) and identify on Form - 001 ("Delivery Form") the existence of any visible damages and both parties must sign such Delivery Form. Unless otherwise indicated on the Delivery Form, the execution of the Delivery Form shall indicate that there are no such visible damages. If Lessor delivers a Container that is not serviceable, Lessor will, at its own expense, promptly replace the non-serviceable Container utilizing, to the extent practical, a Lessee service for the transportation of such replacement Container. Because of delivery and return logistics, Lessor reserves the right to substitute Container serial numbers for the Container serial numbers indicated on the Order Confirmation up until the execution of the Delivery Form.

4.2 Return. Lessee must return the Container(s) to the Lessor facility specified in the Order Confirmation free and clear of any claims, liens or encumbrances in a serviceable, emptied and clean condition without damage, except for ordinary wear and tear. The parties will execute Form-002 ("Return Form") upon the return of the Container(s), indicating any non-allowable damages. Unless otherwise indicated on the Return Form, the inspection by Lessor and the execution of the Return Form shall indicate that there are no such damages.

5. Use of Containers. Lessee shall, and shall cause each Customer and its Provider Clients to, (a) use the Containers in a careful and proper manner and in accordance with the use guidelines established from time to time by Lessor and provided to Lessee (the "Guidelines"), (b) not use the Containers or allow the Containers to be used for any unlawful purpose, (c) not modify the Containers, and (d) use every reasonable precaution to prevent loss or damage to the Containers and to prevent injury to persons and property. Lessee shall cooperate fully with Lessor and any insurance companies producing insurance under Section 11 hereof in the investigation and defense of any claims and suits arising from the use or operation of the Containers.

6. Loss or Damage. Lessee will bear all risk of loss, damage, theft, destruction, attachment, seizure or the like (any such event being referred to as a "Casualty") of or to the Container(s), reasonable wear and tear excepted, once the parties execute the Delivery Form. Reasonable wear and tear shall include, but not be limited to plastic corners, door hinges, or any other similar areas that experience damage due to manufacturing or design flaws or defects. No Casualty will impair the obligations of the Lessee to pay the Fees for the lease term of the applicable Lease Transaction. Immediately upon Lessee becoming aware of a Casualty, Lessee will provide Lessor with written notice detailing such Casualty. At Lessor's sole option and upon notice to Lessee, Lessee shall promptly (a) reimburse Lessor for the reasonable costs of repairing the affected Container (but not exceeding the replacement value stated on Schedule 1 or any applicable Order Confirmation ("Replacement Value")), or (b) pay Lessor the Replacement Value in the case of a lost Container or a Container with respect to which the cost of repair will exceed the Replacement Value.

7. Pricing; Payment of Fees. Lessor's current Fees for Lease Transactions, as well as applicable additional fees, are specified in Schedule 2. The prices are valid for one year from the Effective Date of this Agreement. Lessor shall be entitled to change the pricing thereafter on thirty (30) days' written notice to Lessee.

8. Lessee's Exclusive Benefit. The parties agree that this Agreement is executed for the benefit of Lessee's exclusive use of the Container(s) leased hereunder, and Lessee shall not sublease, sublet, loan, or otherwise release to any third party (other than to an affiliate of Lessee performing transportation services in the ordinary course of Lessee's business as currently conducted) use of any of the Container(s) unless expressly set forth in this Agreement or otherwise expressly agreed in writing by Lessor.

9. Rights to Containers. Lessor and Lessee agree that each Lease Transaction is an agreement of lease only and nothing contained in this Agreement may be construed as conveying to Lessee any right, title or interest in or to the Containers except as a lessee. Lessee recognizes and acknowledges that Lessee has the right to maintain possession of the Container(s) conditional upon Lessee's compliance with the terms of this Agreement. Lessee will not, without the prior written consent of Lessor, assign or sublease any of the Containers, or hypothecate, pledge or otherwise encumber or suffer a lien upon or against or otherwise convey any interest in this Agreement or any Container leased hereunder (or purport to do any of the foregoing). Lessee shall indemnify Lessor from any and all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) resulting from any such actual or purported assignment, sublease, hypothecation, pledge, encumbrance, lien or conveyance. Upon request of Lessor, Lessee shall execute and deliver a financing statement or similar documents, and take such other actions, to permit Lessor to perfect a security interest in, or to evidence Lessor's ownership of, the Containers. Lessor will have the right at any time during the term of this Agreement period to inspect the leased Containers, including at Lessee's facilities. In addition, Lessee will not suffer to be removed any Lessor markings contained on any Container.

10. Container Warranties; Limitations. Lessor warrants that the Containers during the applicable lease term (a) meet the certification requirements as and when issued by the FAA or any other applicable governing body, and (b) will operate within the temperature ranges specified on Schedule 1 hereto for the periods stated therein when operated in accordance with the Guidelines, receipt of which is acknowledged by Lessee ("Authorized Warranty"). Any claim against Lessor for breach of the Authorized Warranty or other duties must be made in writing and promptly pursued within one (1) year from the date of delivery of the Container(s) at issue. Subject to the first sentence of this Section 10, the Containers are leased in "as is" condition. Except as otherwise provided herein, Lessor will have no responsibility, and Lessee shall indemnify Lessor, for any and all claims, including any third-party claims relating to representations and warranties by Lessee outside the scope of the Authorized Warranty.

THE AUTHORIZED WARRANTY STATED HEREIN IS IN LIEU OF ANY AND ALL WARRANTIES AND LESSOR DISCLAIMS ALL OTHER WARRANTIES RELATING TO THE CONTAINERS AND THE RELATED SERVICES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF NONINFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY. EXCEPT AS OTHERWISE PROVIDED HEREIN, LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY THE CONTAINER(S) OR RELATED SERVICES, INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION, SPILL OR LEAK FROM A CONTAINER. IN NO EVENT WILL LESSOR BE LIABLE TO LESSEE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES DUE TO LOSS OF USE, LOST PROFITS OR ANY INDIRECT DAMAGES, EVEN IF LESSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT OR OTHERWISE.

Lessor shall indemnify and hold harmless Lessee from and against any cargo loss or damage resulting from a container's failure to perform with the representations and warranties set forth in this Section 10. Lessor's liability to Lessee under this Section 10 for cargo loss or damage per shipment shall always be limited to the amount that Lessee pays for such loss or damage.

Lessee agrees to defend, indemnify and hold harmless Lessor and its affiliates, employees, officers, directors and owners (collectively, "Lessee Indemnified Parties") from and against any and all losses, liabilities, damages and expenses (including reasonable attorneys' fees and costs) resulting from any claim, demand, action or other proceeding, whether asserted or incurred during or subsequent to the Term (defined below), relating to or in any way arising out of the possession, maintenance, use, control, loss, damage or destruction of the Containers or any portion thereof, except for losses or injuries caused by Lessor's negligence or breach of the Authorized Warranty. Lessee will, promptly after it becomes aware of it, give Lessor prompt notice of any occurrence, event or condition in connection with which Lessor may be entitled to indemnification hereunder.

11. Insurance. Lessee will, at all times and at its own expense, during the Term hereof and for three years thereafter, maintain insurance insuring Lessor and Lessee, as their respective interests may appear and covering liability for bodily injury and property damage resulting from the transport of the Containers. All such insurance shall be obtained in such amounts and from reputable companies as is customary in the industry.

12. Events of Default. The following shall be "Events of Default" hereunder with respect to any Container (and an Event of Default with respect to any Container shall be an Event of Default with respect to all Containers): (a) Lessee shall default in payment of any Fees or other amounts due hereunder, (b) Lessee shall be in breach of any other term of this Agreement, or (c) Lessee shall become insolvent, makes a filing in bankruptcy, dissolves or otherwise terminates its corporate existence. If an Event of Default occurs and should such Event of Default continue for more than five business days after Lessee's receipt of written notice of such default, Lessor may, at its option, (i) require Lessee to return any or all Containers in accordance with Section 4.3, (ii) take possession of any or all Containers wherever found, enter into the premises or aircraft where the Container(s) are located and disconnect, render unusable and remove the Container(s) or (iii) require Lessor to pay as liquidated damages for loss of the benefit of its bargain and not as a penalty, their "Default Value" plus all Fees that are payable to the date that Lessor receives payment of the Default Value and such Fees. "Default Value" means all unpaid Fees and other charges including cost of return to Lessor facility specified in the order. The foregoing rights shall be in addition to any other rights and remedies available to Lessor at law or in equity. No remedy referred to in this Section 12 is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to Lessor at law or in equity. No express or implied waiver by Lessor of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default.

13. Term and Termination. This Agreement shall commence on the Effective Date, and shall be valid until one (1) year from the Effective Date ("Term"); provided, (a) this Agreement and any applicable Order Confirmation shall survive with respect to any Lease Transaction still in effect at such expiration date until the end of the lease period for that Lease Transaction and the return of the applicable Container(s) as provided herein, and (b) this Agreement shall automatically renew for additional one-year terms unless one party gives the other party written notice of non-renewal at least thirty (30) days prior to the then-current Term. In addition, Lessor may terminate this Agreement on written notice to Lessee on the occurrence of any Event of Default that remains unremedied after the period of time specified in Section12 for Lessee's cure. Sections 10, 11, 13 and 14 shall survive termination or expiration of this Agreement. Either party shall have the right to terminate this Agreement for convenience upon providing the other with thirty (30) days written notice.

14. General Provisions.

14.1 Force Majeure. No party to this Agreement shall be liable to the other party for any failure or delay in fulfilling an obligation hereunder other than payment of money, if said failure or delay is attributable to circumstances beyond its control, including, but not limited to, any fire, terrorism, power failure, labor dispute or government measure ("Force Majeure"). The Parties agree that the deadline for fulfilling the obligation in question shall be extended for a period of time equal to that of the continuance of the Force Majeure. Each party shall use all commercially reasonable efforts to minimize the effect of the Force Majeure on its performance under this Agreement.

14.2 Notices. Notices under this Agreement shall be valid if given in writing and sent by recognized overnight courier, registered mail or fax to the addresses shown on the invoice. Notices will be effective upon receipt.

14.3 Operation of Containers. Lessee agrees that in its use and handling of the Containers it will strictly comply with the Guidelines and such additional instructions as Lessor shall provide in writing to Lessee. Lessee agrees that it will comply with all applicable laws and regulations relating to its use and possession of the Containers.

14.4 Non-Waiver. No failure by Lessor to exercise, nor delay by Lessor in exercising, any right or remedy which it may have under or with respect to this Agreement shall operate as a waiver thereof of any other right or remedy available to Lessor. No waiver of any such right shall be effective unless the same shall be in writing and signed by Lessor.

14.5 Integration. This Agreement (including any Schedules and Order Confirmations) constitutes the entire agreement between the parties. This Agreement only may be amended by a written agreement between authorized representatives of the parties. If any portion of this Agreement is held to be invalid in any jurisdiction, such provisions shall be severed from this Agreement and the remaining provisions shall remain in full force and effect. Any term or condition set forth in any Order, Order Confirmation or other document or instrument (other than as expressly required hereby) that conflicts with, or adds to, the terms of this Agreement shall be of no force or effect, except if such document or instrument is duly executed and delivered by each party and expressly and conspicuously references and supersedes this Agreement.

14.6 Confidentiality and Advertising Restrictions. Except to the extent disclosure is required by applicable law, regulation or court order, the parties agree that this Agreement and the terms hereof shall be kept strictly confidential by them, and each party shall in each instance obtain the prior written approval of the other concerning exact text and timing of news releases, articles, brochures, advertisements, prepared speeches and other information releases concerning this Agreement. No license or grant whatsoever pertaining to a party's trademarks, tradename, logos, service marks or other intellectual property is granted to the other party pursuant to this Agreement.

14.7 UCC Filings; Additional Information. Lessee will provide reasonable assistance to Lessor with respect to the Lessor's recording, filing, re-recording and re-filing of any financing statements or other instruments as are reasonably necessary to maintain the perfected security interest and ownership interest of Lessor in each Container, together with such instruments, in execution form, and such other information as may be required to enable it to take such actions.

14.8 Assignment. Lessee acknowledges that this Lease Agreement and its rights, duties and obligations are personal to Lessee and may not be assigned, delegated or otherwise transferred by Lessee without Lessor's prior written consent. Any attempted assignment, delegation or transfer by Lessee in violation of this subsection 14.8 will be void and will constitute a material breach of this Lease Agreement. Nothing herein shall be construed to limit Lessor's right or ability to assign, delegate or transfer this Lease Agreement.

14.9 Governing Law. This Agreement will be governed and construed in accordance with the laws of the State of Delaware without reference to the conflicts of laws provisions thereof.

14.10 Counterparts. THIS AGREEMENT MAY BE EXECUTED IN COUNTERPARTS, EACH OF WHICH, WHEN SO EXECUTED AND DELIVERED, SHALL CONSTITUTE AN ORIGINAL, FULLY ENFORCEABLE COUNTERPART FOR ALL PURPOSES EXCEPT THAT ONLY THE COUNTERPART STAMPED OR MARKED 'COUNTERPART NUMBER 1' SHALL CONSTITUTE 'CHATTEL PAPER' OR OTHER 'COLLATERAL' WITHIN THE MEANING OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN ANY JURISDICTION.

EACH PARTY'S SIGNATURE BELOW ACKNOWLEDGES THAT SUCH PARTY HAS READ AND UNDERSTANDS EACH OF THE TERMS AND CONDITIONS OF THE AGREEMENT AND AGREES TO BE BOUND BY THEM.

FEDERAL EXPRESS CORPORATION	CRYOPORT, INC.
BY: /s/ Jerry Beyl	BY: /s/ Larry Stambaugh
NAME: Jerry Beyl	NAME: Larry Stambaugh
TITLE: Vice President FedEx Worldwide Svcs	TITLE: Chairman and CEO

SCHEDULE 1

CONTAINERS

Model No.: EXP5

Description: The CryPort Express Shipper Model No. EXP 5 is an IATA certified cryogenic dry vapor shipping container which holds 5.5 liters liquid nitrogen and has a full weight of 10.2 kilograms.

Replacement Cost: [***]

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[ADDITIONAL MODELS MAY BE ADDED
BY MUTUAL WRITTEN AGREEMENT OF THE PARTIES]
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SCHEDULE 2

CUSTOMERS AND FEES

Customer: [***]

Billing Party: Lessor

Fees: [***] for each Lease Transaction, for up to 14 calendar days after the applicable Commencement Date

Additional Fees: [***] for each Lease Transaction, if the Container is not returned to Lessor within 14 calendar days after the applicable Commencement Date, for each period of 14 calendar dsays (or portion thereof) thereafter, up to a maximum of [***] for each Lease Transaction

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[ADDITIONAL CUSTOMERS MAY BE ADDED BY MUTUAL WRITTEN AGREEMENT OF THE PARTIES]
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EXHIBIT 13.1
ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
CryoPort, Inc.

We have audited the accompanying consolidated balance sheets of CryoPort, Inc. (the "Company") as of March 31, 2009 and 2008, and the related consolidated statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CryoPort, Inc. at March 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring losses and negative cash flows from operations since inception and has a working capital deficit of $3,693,015 and a cash and cash equivalents balance of $249,758 at March 31, 2009. Management has estimated that cash on hand, including cash borrowed under convertible debentures issued in the first quarter of fiscal 2010, will be sufficient to allow the Company to continue its operations only into the third quarter of fiscal 2010. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

/s/ KMJ Corbin & Company LLP

Costa Mesa, California
June 30, 2009

CONSOLIDATED BALANCE SHEETS

ASSETS	March 31, 2009	March 31, 2008
Current assets:		
Cash and cash equivalents	$ 249,758	$ 2,231,031
Restricted cash	101,053	203,670
Accounts receivable, net	2,546	21,411
Inventories	530,241	121,952
Prepaid expenses and other current assets	170,399	153,016
Total current assets	1,053,997	2,731,080
Fixed assets, net	189,301	193,852
Intangible assets, net	264,364	474
Deferred financing costs, net	3,600	325,769
Other assets	61,294	209,714
	$ 1,572,556	$ 3,460,889
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 218,433	$ 234,298
Accrued expenses	90,547	95,048
Accrued warranty costs	18,743	29,993
Accrued salaries and related	206,180	138,103
Convertible notes payable, net of discount of $13,586 (2009) and $0 (2008)	46,414	-
Current portion of convertible debentures payable and accrued interest, net of discount of $662,583 (2009) and $1,039,844 (2008)	3,836,385	902,486
Line of credit and accrued interest	90,310	115,943
Current portion of related party notes payable	150,000	150,000
Current portion of note payable to former officer	90,000	72,000
Current portion of note payable	-	12,000
Total current liabilities	4,747,012	1,749,871
Related party notes and accrued interest payable, net of current portion	1,533,760	1,582,084
Convertible debentures payable, net of current portion of $4,454,424 (2009) and $1,936,884 (2008) and discount of $2,227,205 (2009) and $2,482,513 (2008)	-	-
Note payable to former officer and accrued interest, net of current portion	67,688	129,115
Total liabilities	6,348,460	3,461,070
Stockholders' deficit:		
Common stock, $0.001 par value; 125,000,000 shares authorized; 41,861,941 (2009) and 40,928,225 (2008) shares issued and outstanding	41,863	40,929
Additional paid-in capital	25,816,588	13,888,094
Accumulated deficit	(30,634,355)	(13,929,204)
Total stockholders' deficit	(4,775,904)	(181)
	$ 1,572,556	$ 3,460,889

See Accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

	For The Years Ended March 31, 2009	2008
Net sales	$ 35,124	$ 83,564
Cost of sales	546,152	386,371
Gross loss	(511,028)	(302,807)
Operating expenses:		
Selling, general and administrative expenses	2,387,287	2,550,778
Research and development expenses	297,378	166,227
Total operating expenses	2,684,665	2,717,005
Loss from operations	(3,195,693)	(3,019,812)
Other income (expense):		
Interest income	32,098	50,076
Interest expense	(2,693,383)	(1,592,718)
Loss on extinguishment of debt	(10,846,573)	-
Total other expense, net	(13,507,858)	(1,542,642)
Loss before income taxes	(16,703,551)	(4,562,454)
Income taxes	1,600	1,600
Net loss	$ (16,705,151)	$ (4,564,054)
Net loss available to common stockholders per common share:		
Basic and diluted loss per common share	$ (0.41)	$ (0.12)
Basic and diluted weighted average common shares outstanding	41,238,185	39,425,118

See Accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Deficit
Balance, April 1, 2007	34,782,029	$ 34,782	$ 7,042,536	$ (9,365,150)	$ (2,287,832)
Issuance of common stock for cash, net of issuance costs of $89,635	3,652,710	3,653	696,213	-	699,866
Issuance of common stock for conversion of convertible debentures including accrued interest	1,425,510	1,426	602,714	-	604,140
Issuance of common stock to consultants	525,000	525	501,975	-	502,500
Exercise of stock options and warrants for cash	156,250	156	107,344	-	107,500
Cashless exercise of warrants	386,726	387	(387)	-	-
Fair value of stock options and warrants issued to consultants, employees and directors	-	-	1,066,885	-	1,066,885
Debt discount related to convertible debentures	-	-	3,845,328	-	3,845,328
Fair value of warrants issued to lessor	-	-	15,486	-	15,486
Purchase of fixed assets with warrants	-	-	10,000	-	10,000
Net loss	-	-	-	(4,564,054)	(4,564,054)
Balance, March 31, 2008	40,928,225	40,929	13,888,094	(13,929,204)	(181)
Issuance of common stock for conversion of convertible debentures including accrued interest	38,906	39	5,407	-	5,446
Cancellation of common stock issued for debt principal reduction	(140,143)	(140)	(117,580)	-	(117,720)
Issuance of common stock for extinguishment of debt	400,000	400	163,600	-	164,000
Change in fair value of warrants issued in connection with debt modifications	-	-	9,824,686	-	9,824,686
Issuance of common stock to consultants	402,238	402	248,700	-	249,102
Exercise of stock options and warrants for cash	82,693	83	3,224	-	3,307
Cashless exercise of warrants	150,022	150	(150)	-	-
Debt discount related to convertible debentures	-	-	991,884	-	991,884
Fair value of stock options and warrants issued to consultants, employees and directors	-	-	808,723	-	808,723
Net loss	-	-	-	(16,705,151)	(16,705,151)
Balance, March 31, 2009	41,861,941	$ 41,863	$ 25,816,588	$ (30,634,355)	$ (4,775,904)

See Accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Years Ended March 31, 2009	2008
Cash flows from operating activities:		
Net loss	$ (16,705,151)	$ (4,564,054)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	81,984	41,298
Amortization of deferred financing costs	42,284	87,706
Amortization of debt discount	2,223,116	1,214,986
Stock issued to consultants	249,102	402,500
Fair value of warrants issued to consultants, employees and directors	699,467	880,765
Loss on extinguishment of debt	10,846,573	-
Interest accrued on restricted cash	(6,227)	-
Changes in operating assets and liabilities:		
Accounts receivable	18,865	(11,239)
Inventories	(408,289)	24,056
Prepaid expenses and other assets	7,329	(49,473)
Accounts payable	(15,865)	(72,384)
Accrued expenses	(8,101)	(2,179)
Accrued warranty costs	(11,250)	(25,414)
Accrued salaries and related	68,077	(31,434)
Accrued interest	331,616	284,616
Net cash used in operating activities	(2,586,470)	(1,820,250)
Cash flows provided by (used in) investing activities:		
Decrease (increase) in restricted cash	108,844	(200,000)
Purchases of intangibles	(49,781)	(474)
Purchases of fixed assets	(58,578)	(182,054)
Net cash provided by (used in) investing activities	485	(382,528)
Cash flows from financing activities:		
Proceeds from borrowings under convertible notes	1,122,500	3,436,551
Net proceeds from borrowings under line of credit	-	115,500
Repayment of convertible debt	(117,720)	-
Repayment of line of credit	(25,500)	-
Payment of deferred financing costs	(191,875)	-
Repayment of note payable	(12,000)	(55,000)
Repayments of related party notes payable	(120,000)	(90,000)
Repayments of note payable to officer	(54,000)	(45,000)
Proceeds from issuance of common stock, net	-	699,866
Proceeds from exercise of options and warrants	3,307	107,500
Net cash provided by financing activities	604,712	4,169,417
Net change in cash and cash equivalents	(1,981,273)	1,966,639
Cash and cash equivalents, beginning of year	2,231,031	264,392
Cash and cash equivalents, end of year	$ 249,758	$ 2,231,031

See Accompanying Notes to Consolidated Financial Statements.

	For The Years Ended March 31,	
	2009	2008
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	$ 95,360	$ 5,620
Income taxes	$ 800	$ 1,600
Supplemental disclosure of non-cash activities:		
Estimated for value of warrants issued to lessor	$ -	$ 15,486
Purchase of fixed assets with warrants	$ -	$ 10,000
Purchase of intangible assets with warrants	$ 232,964	$ -
Warrants issued as deferred financing costs in connection with convertible debt financing	$ 117,530	$ 525,071
Debt discount in connection with convertible debt financing	$ 1,263,586	$ 3,320,257
Conversion of debt and accrued interest to common stock	$ 5,446	$ 604,140
Cancellation of shares issued for debt principal reduction	$ 117,720	$ -
Change in fair value of warrants issued in connection with debt modifications	$ 9,824,686	$ -
Fair value of shares issued in connection with debt modifications	$ 164,000	$ -
Cashless exercise of warrants	$ 150	$ 387
Deferred financing costs in accrued expenses	$ 3,600	$ -
Addition of principal due to debt modifications	$ 1,012,232	$ -

See Accompanying Notes to Consolidated Financial Statements.

NOTE 1 – ORGANIZATION AND BUSINESS

Organization

CryoPort, Inc. (the "Company") was originally incorporated under the name G.T.5-Limited ("GT5") on May 25, 1990 as a Nevada Corporation. On March 15, 2005 CryoPort Systems, Inc., a California corporation founded in 1999 and incorporated on December 11, 2000, became the primary operating company of GT5 upon completion of a Share Exchange Agreement, whereby GT5 acquired all of the issued and outstanding shares of CryoPort Systems, Inc. in exchange for 24,108,105 shares of the Company's common stock representing approximately 81% of the total issued and outstanding shares of common stock following the close of the transaction. In connection with this transaction GT5 changed its name to Cryoport, Inc. CryoPort Systems, Inc. continues today as the operating company under CryoPort, Inc.

The principal focus of the Company is to provide the biotechnology and pharmaceutical industries with a cost effective frozen shipping solution, the CryoPort Express™ System utilizing the Company's newly developed product line, the CryoPort Express™ Shippers, for the frozen or cryogenic transport of biological materials. These biological materials include live cell pharmaceutical products; e.g., cancer vaccines, diagnostic materials, reproductive tissues, infectious substances and other items that require continuous frozen or cryogenic temperatures (less than -150°C). The Company has historically designed, manufactured a line of reusable cryogenic dry vapor shippers. The reusable cryogenic dry shippers primarily served as the vehicles for the development of the cryogenic technology that supported the development of the new CryoPort Express™ Shipper.. The Company's primary mission is to provide reliable and cost effective solutions for the frozen transportation of biological materials in the life sciences industry.

Going Concern

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has not generated significant revenues from operations and has no assurance of any future revenues. The Company generated revenues from operations of only $35,124, incurred a net loss of $16,705,151 including a $10,846,573 loss on debt extinguishment and used cash of $2,586,470 in its operating activities during the year ended March 31, 2009. In addition, the Company has a working capital deficit of $3,693,015 and has a cash and cash equivalents balance of $249,758 at March 31, 2009. Currently management has projected that cash on hand, including cash borrowed under the convertible debentures issued in the first quarter of fiscal 2010, will be sufficient to allow the Company to continue its operations only into the third quarter of fiscal 2010 until more significant

NOTE 1 – ORGANIZATION AND BUSINESS, continued

funding can be secured. These matters raise substantial doubt about the Company's ability to continue as a going concern.

Through June 22, 2009 the Company had raised net proceeds of $906,630 under the Private Placement Debentures. (see Note 10 and Note 14). As a result of this recent financing, the Company had an aggregate cash and cash equivalents and restricted cash balance of approximately $689,000 as of June 22, 2009 which will be used to fund the working capital required for minimal operations including inventory build as well limited sales efforts to advance the Company's commercialization of the CryoPort Express™ Shippers until additional capital is obtained. The Company's management recognizes that the Company must obtain additional capital for the achievement of sustained profitable operations. Management's plans include obtaining additional capital through equity and debt funding sources; however, no assurance can be given that additional capital, if needed, will be available when required or upon terms acceptable to the Company or that the Company will be successful in its efforts to negotiate extension of its existing debt. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statements include the accounts of Cryoport, Inc. and its wholly owned subsidiary, Cryoport Systems, Inc. All intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from estimated amounts. The Company's significant estimates include the fair value of modified debt, debt discounts, allowances for doubtful accounts and sales returns, recoverability of long-lived assets, allowances for inventory obsolescence, accrued warranty costs, valuation of deferred tax assets, the value of stock options and warrants, and product liability reserves.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Concentrations of Credit Risk and Customers

Cash

The Company maintains its cash accounts in financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC"). Effective October 3, 2008, the Emergency Economic Stabilization Act of 2008 raised the FDIC deposit coverage limits to $250,000 per owner from $100,000 per owner. At March 31, 2009 and 2008, the Company had cash balances of $121,042 and $2,392,350, respectively, which were in excess of the FDIC insurance limit. The Company performs ongoing evaluations of these institutions to limit its concentration risk exposure.

Restricted cash

The Company has invested cash in a one year restricted certificate of deposit bearing interest at 2.32% which serves as collateral for borrowings under a line of credit agreement (see Note 8). At March 31, 2009 and 2008, the balance in the certificate of deposit was $101,053 and $203,670, respectively.

Customers

The Company grants credit to customers within the United States of America and to a limited number of international customers, and does not require collateral. Sales to international customers are generally secured by advance payments except for a limited number of established foreign customers. The Company generally requires advance or credit card payments for initial sales to new customers. The Company's ability to collect receivables is affected by economic fluctuations in the geographic areas and industries served by the Company. Reserves for uncollectible amounts and estimated sales returns are provided based on past experience and a specific analysis of the accounts which management believes are sufficient. Accounts receivable at March 31, 2009 and 2008 are net of reserves for doubtful accounts and sales returns of approximately $600 and $4,700, respectively. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts.

The Company has limited foreign sales primarily in Europe, Canada, India and Australia. Foreign sales are primarily to a small number of customers. During 2009 and 2008, the Company had foreign sales of approximately $6,500 and $10,500, respectively, which constituted approximately 19% and 13% of net sales, respectively.

The majority of the Company's customers are in the biotechnology, pharmaceutical and life science industries. Consequently, there is a concentration of receivables within these industries, which is subject to normal credit risk.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash and Cash Equivalents

The Company considers highly liquid investments with original maturities of 90 days or less to be cash equivalents.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, related party notes payable, note payable to officer, line of credit, convertible notes payable, accounts payable, accrued expenses and a note payable to a third party. The carrying value for all such instruments, except the related party notes payable, approximates fair value at March 31, 2009 and 2008. The difference between the fair value and recorded values of the related party notes payable is not significant.

Inventories

Inventories are stated at the lower of standard cost or current estimated market value. Cost is determined using the standard cost method which approximates the first-in, first-out method. The Company periodically reviews its inventories and records a provision for excess and obsolete inventories based primarily on the Company's estimated forecast of product demand and production requirements. Once established, write-downs of inventories are considered permanent adjustments to the cost basis of the obsolete or excess inventories. Raw materials, work in process and finished goods include material costs less reserves for obsolete or excess inventories.

Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization of fixed assets are provided using the straight-line method over the following useful lives:

Furniture and fixtures	7 years
Machinery and equipment	5-7 years
Leasehold improvements	Lesser of lease term or estimated useful life

Betterments, renewals and extraordinary repairs that extend the lives of the assets are capitalized; other repairs and maintenance charges are expensed as incurred. The cost and related accumulated depreciation and amortization applicable to assets retired are removed from the accounts, and the gain or loss on disposition is recognized in current operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Intangible Assets

Intangible assets are comprised of patents and trademarks and software development costs. The Company capitalizes costs of obtaining patents and trademarks which are amortized, using the straight-line method over their estimated useful life of five years. The Company capitalizes certain costs related to software developed for internal use in accordance with AICPA Statement of Position 98-1, *Accounting for Costs of Computer Software Developed or Obtained for Internal Use.* Software development costs incurred during the preliminary or maintenance project stages are expensed as incurred, while costs incurred during the application development stage are capitalized and amortized using the straight-line method over the estimated useful life of the software which is five years. Capitalized costs include purchased materials and costs of services including the valuation of warrants issued to consultants using the Black-Scholes option pricing model.

Long-Lived Assets

The Company's management assesses the recoverability of its long-lived assets upon the occurrence of a triggering event by determining whether the depreciation and amortization of long-lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment, if any, is measured based on fair value and is charged to operations in the period in which long-lived asset impairment is determined by management. At March 31, 2009 and 2008, the Company's management believes there is no impairment of its long-lived assets. There can be no assurance however, that market conditions will not change or demand for the Company's products will continue, which could result in impairment of its long-lived assets in the future.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of the convertible notes payable. Deferred financing costs are being amortized over the term of the financing instrument on a straight-line basis, which approximates the effective interest method. During the years ended March 31, 2009 and 2008, the Company capitalized deferred financing costs of $111,273 and $408,776 respectively, and amortized deferred financing costs of $42,284 and $87,706 respectively, to interest expense. During the year ended March 31, 2009, the Company wrote off unamortized deferred financing costs pursuant to amendments made to convertible notes payable from the resulting debt modifications (see Note 10).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accrued Warranty Costs

Estimated costs of the Company's standard warranty, included with products at no additional cost to the customer for a period up to one year, are recorded as accrued warranty costs at the time of product sale. Costs related to servicing the standard warranty are charged to the accrual as incurred.

The following represents the activity in the warranty accrual during the years ended March 31:

	2009	2008
Beginning warranty accrual	$ 29,993	$ 55,407
Increase in accrual (charged to cost of sales)	750	5,625
Charges to accrual (product replacements and warranty expirations)	(12,000)	(31,039)
Ending warranty accrual	$ 18,743	$ 29,993

Revenue Recognition

Revenue is recognized in accordance with Staff Accounting Bulletin ("SAB") No. 101, *Revenue Recognition in Financial Statements*, as revised by SAB 104. The Company recognizes revenue when products are shipped to a customer and the risks and rewards of ownership and title have passed based on the terms of the sale. The Company records a provision for sales returns and claims based upon historical experience. Actual returns and claims in any future period may differ from the Company's estimates.

Accounting for Shipping and Handling Revenue, Fees and Costs

The Company classifies amounts billed for shipping and handling as revenue in accordance with Emerging Issues Task Force ("EITF") Issue No. 00-10, *Accounting for Shipping and Handling Fees and Costs*. Shipping and handling fees and costs are included in cost of sales.

Advertising Costs

The Company expenses the cost of advertising when incurred as a component of selling, general and administrative expenses. During 2009 and 2008, the Company expensed approximately $61,000 and $33,000, respectively, in advertising costs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Research and Development Expenses

The Company expenses internal research and development costs as incurred. Third party research and development costs are expensed when the contracted work has been performed.

Stock-Based Compensation

The Company accounts for share-based payments to employees and directors in accordance with SFAS No. 123(R), *Share-Based Payment*, ("SFAS 123(R)"). SFAS 123(R) requires all share-based payments to employees and directors, including grants of employee stock options and warrants, to be recognized in the consolidated financial statements based upon their fair values. The Company uses the Black-Scholes option pricing model to estimate the grant-date fair value of share-based awards under SFAS 123(R). Fair value is determined at the date of grant. In accordance with SFAS 123(R), the consolidated financial statement effect of forfeitures is estimated at the time of grant and revised, if necessary, if the actual effect differs from those estimates. The estimated average forfeiture rate for the years ended March 31, 2009 and 2008 was zero as the Company has not had a significant history of forfeitures and does not expect forfeitures in the future.

SFAS 123(R) requires the cash flows resulting from the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options or warrants to be classified as financing cash flows. Due to the Company's loss position, there were no such tax benefits during the years ended March 31, 2009 and 2008.

The Company accounts for equity issuances to non-employees in accordance with Emerging Issues Task Force ("EITF") Issue No. 96-18, *Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods and Services*. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the third-party performance is complete or the date on which it is probable that performance will occur.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Plan Description

The Company's stock option plan provides for grants of incentive stock options and nonqualified options to employees, directors and consultants of the Company to purchase the Company's shares at the fair value, as determined by management and the board of directors, of such shares on the grant date. The options generally vest over a five-year period beginning on the grant date and have a ten-year term. As of March 31, 2009, the Company is authorized to issue up to 5,000,000 shares under this plan and has 2,511,387 shares available for future issuances.

Summary of Assumptions and Activity

The fair value of stock-based awards to employees and directors is calculated using the Black-Scholes option pricing model, even though this model was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which differ significantly from the Company's stock options. The Black-Scholes model also requires subjective assumptions, including future stock price volatility and expected time to exercise, which greatly affect the calculated values. The expected term of options granted is derived from historical data on employee exercises and post-vesting employment termination behavior. The risk-free rate selected to value any particular grant is based on the U.S Treasury rate that corresponds to the pricing term of the grant effective as of the date of the grant. The expected volatility is based on the historical volatility of the Company's stock price. These factors could change in the future, affecting the determination of stock-based compensation expense in future periods.

The following table presents the weighted average assumptions used to estimate the per share fair values of stock warrants granted to employees and directors during the years ended March 31, 2009 and 2008:

	March 31, 2009	March 31, 2008
Stock warrants:		
Expected term	5 years	5 years
Expected volatility	201% - 266%	228%-293%
Risk-free interest rate	1.52% - 3.15%	3.74%-4.75%
Expected dividends	N/A	N/A

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

A summary of employee and director option and warrant activity for the years ended March 31, 2009 and 2008, is presented below:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Yrs.)	Aggregate Intrinsic Value
Outstanding at April 1, 2007	3,747,563	$ 0. 59	7.46	
Granted	887,800	$ 0.97		
Exercised	(79,200)	$ 0.74		
Forfeited	–	$ –		
Outstanding at March 31, 2008	4,556,163	$ 0.64	7.10	
Granted	917,400	$ 0.76		
Exercised	(232,715)	$ 0.04		
Forfeited	(6,978)	$ 0.04		
Outstanding, vested, and expected to vest at March 31, 2009	5,233,880	$ 0.69	6.82	$ 624,724
Exercisable at March 31, 2009	4,683,870	$ 0.67	6.48	$ 624,724

There were 917,400 warrants and no stock options granted to employees and directors during the year ended March 31, 2009 and 887,800 warrants and no stock options granted to employees and directors during the year ended March 31, 2008. In connection with the warrants granted, the modification of previous options granted, and the vesting of prior options issued, during the years ended March 31, 2009 and 2008, the Company recorded total charges of $289,497 and $742,140, respectively, in accordance with the provisions of SFAS 123(R), which have been included in selling, general and administrative expenses for the years ended March 31, 2009 and 2008 in the accompanying consolidated statements of operations. No employee or director warrants or stock options expired during the years ended March 31, 2009 and 2008. The Company issues new shares from its authorized shares upon exercise of warrants or options.

As of March 31, 2009 and 2008, there was $287,722 and $105,965, respectively, of unrecognized compensation cost related to employee and director stock option compensation arrangements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The aggregate intrinsic value for stock options and warrants related to stock based compensation, which were exercised during the years ended March 31, 2009 and 2008 was $203,102 and $30,284, respectively.

Income Taxes

The Company accounts for income taxes in accordance with SFAS No. 109 (“SFAS No. 109”), *Accounting for Income Taxes*. Under the asset and liability method of SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. The Company is a subchapter "C" corporation and files a federal income tax return. The Company files separate state income tax returns for California and Nevada.

Basic and Diluted Loss Per Share

The Company has adopted SFAS No. 128, *Earnings Per Share*.

Basic loss per common share is computed by dividing the net loss available to common stockholders by the weighted average number of shares outstanding for the period. Diluted loss per share is computed by dividing net loss by the weighted average shares outstanding assuming all dilutive potential common shares were issued. Basic and diluted loss per share are the same as the effect of stock options and warrants and convertible debt on loss per share are anti-dilutive and thus not included in the diluted loss per share calculation. The impact under the treasury stock method of dilutive stock options and warrants and the if-converted method of convertible debt would have resulted in weighted average common shares outstanding of 57,565,246 for the year ended March 31, 2009 and 47,835,303 for the year ended March 31, 2008.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The following is a reconciliation of the numerators and denominators of the basic and diluted loss per share computations for the years ended March 31:

	2009	2008
Numerator for basic and diluted loss per share:		
Net loss available to common stockholders	$ (16,705,151)	$ (4,564,054)
Denominator for basic and diluted loss per common share:		
Weighted average common shares outstanding	41,238,185	39,425,118
Net loss per common share available to common stockholders – basic and diluted	$ (0.41)	$ (0.12)

Convertible Debentures

If the conversion feature of conventional convertible debt provides for a rate of conversion that is below market value, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount pursuant to EITF Issue No. 98-5, *Accounting for Convertible Securities with Beneficial Conversion Features or Contingency Adjustable Conversion Ratio,* ("EITF 98-05") and EITF Issue No. 00-27, *Application of EITF Issue No. 98-5 to Certain Convertible Instruments* ("EITF 00-27"). In those circumstances, the convertible debt will be recorded net of the discount related to the BCF. The Company amortizes the discount to interest expense over the life of the debt using the effective interest method which approximates the straight-line amortization method (see Note 10).

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS No. 157 ("SFAS No. 157"), *Fair Value Measurements*. SFAS No. 157 establishes a framework for measuring fair value and expands disclosure about fair value measurements. Specifically, this standard establishes that fair value is a market-based measurement, not an entity specific measurement. As such, the value measurement should be determined based on assumptions the market participants would use in pricing an asset or liability. The expanded disclosures include disclosure of the inputs used to measure fair value and the effect of certain of the measurements on earnings for the period. SFAS No. 157 was effective for fiscal years beginning after November 15, 2007. FASB Staff Position No. FAS 157-2 ("FSP 157-2"), *Effective Date of FASB Statement No. 157* was issued in

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

February 2008. FSP 157-2 delays the effective date of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value at least once a year, to fiscal years beginning after November 15, 2008, and for interim periods within those fiscal years. The adoption of SFAS No. 157 related to financial assets and liabilities did not have a material effect on the Company's consolidated financial statements. The Company is currently evaluating the impact, if any, that SFAS No. 157 may have on its future consolidated financial statements related to non-financial assets and liabilities.

In October 2008, the FASB issued FASB Staff Position No. 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active* ("FSP No. 157-3"). FSP No. 157-3 clarifies the application of SFAS No. 157 in a market that is not active, and provides an illustrative example intended to address certain key application issues. FSP No. 157-3 is effective immediately, and applies to the Company's March 31, 2009 financial statements. The Company has concluded that the application of FSP No. 157-3 did not have a material impact on its consolidated financial statements as of and for the year ended March 31, 2009.

In June 2008, the Emerging Issues Task Force of the FASB published EITF Issue No. 07-5, *Determining Whether an Instrument is Indexed to an Entity's Own Stock* ("EITF No. 07-5") to address concerns regarding the meaning of "indexed to an entity's own stock" contained in FASB Statement 133, *Accounting for Derivative Instruments and Hedging Activities* . This related to the determination of whether a free-standing equity-linked instrument should be classified as equity or liability. If an instrument is classified as liability, it is valued at fair value, and this value is re-measured on an ongoing basis, with changes recorded in earnings in each reporting period. EITF No. 07-5 is effective for years beginning after December 15, 2008 and earlier adoption is not permitted. Although EITF No. 07-5 is effective for fiscal years beginning after December 15, 2008, any outstanding instrument at the date of adoption will require a retrospective application of the accounting through a cumulative effect adjustment to retained earnings upon adoption. The Company is currently evaluating the impact of EITF No. 07-5 on its consolidated financial statements, but it believes that certain factors of its convertible debentures and warrants that have been previously classified as equity may require liability treatment.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "*Business Combinations*" ("SFAS 141(R)"). SFAS 141(R) replaces SFAS No. 141, "*Business Combinations*", and is effective for the Company for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141(R) requires the new acquiring entity to recognize all assets acquired and liabilities assumed in the transactions, expense all direct transaction costs and account for the estimated fair value of contingent consideration. This standard establishes an acquisition-date fair value for acquired assets and liabilities and fully discloses to investors the financial effect the acquisition will have. The adoption of this pronouncement is not expected to have a material effect on the Company's consolidated financial statements.

In November 2007, the Emerging Issues Task Force issued EITF Issue 07-01 ("EITF 07-01"), *"Accounting for Collaborative Arrangements"*. EITF 07-01 requires collaborators to present the results of activities for which they act as the principal on a gross basis and report any payments received from (made to) other collaborators based on other applicable generally accepted accounting principles in the United States ("GAAP") or, in the absence of other applicable GAAP, based on analogy to authoritative accounting literature or a reasonable, rational, and consistently applied accounting policy election. Further, EITF 07-01 clarified that the determination of whether transactions within a collaborative arrangement are part of a vendor-customer (or analogous) relationship subject to Issue 01-9, "Accounting for Consideration Given by a Vendor to a Customer". EITF 07-01 is effective for fiscal years beginning after December 15, 2008. The Company does not anticipate that the adoption of this standard will have a material impact on its financial statements.

NOTE 3 – INVENTORIES

Inventories at March 31, 2009 and 2008 consist of the following:

	2009	2008
Raw materials	$ 350,021	$ 61,342
Work in process	7,253	5,827
Finished goods	172,967	54,783
	$ 530,241	$ 121,952

NOTE 4 – FIXED ASSETS

Fixed assets consist of the following at March 31:

	2009	2008
Furniture and fixtures	$ 23,253	$ 23,253
Machinery and equipment	640,748	586,465
Leasehold improvements	19,426	15,131
	683,427	624,849
Less accumulated depreciation and amortization	(494,126)	(430,997)
	$ 189,301	$ 193,852

Depreciation and amortization expense for fixed assets for the years ended March 31, 2009 and 2008 was $63,129 and $36,602, respectively.

NOTE 5 – INTANGIBLE ASSETS

Intangible assets are comprised of patents and trademarks and software developed for internal uses. The gross book values and accumulated amortization as of March 31, 2009 and 2008 were as follows:

	2009	2008
Patents and trademarks	$ 47,375	$ 46,742
Software	282,112	-
	329,487	46,742
Less accumulated amortization	(65,123)	(46,268)
	$ 264,364	$ 474

Amortization expense for intangible assets for the years ended March 31, 2009 and 2008 was $18,855 and $4,696, respectively. All of the Company's intangible assets are subject to amortization.

Estimated future annual amortization expense pursuant to these intangible assets is as follows:

Years Ending March 31,	Patents and Trademarks	Software	Total Intangibles
2010	$ 660	$ 56,400	$ 57,060
2011	392	56,400	56,792
2012	-	56,400	56,400
2013	-	56,400	56,400
2014	-	37,712	37,712
	$ 1,052	$ 263,312	$ 264,364

NOTE 6 – INCOME TAXES

The tax effects of temporary differences that give rise to deferred taxes at March 31, 2009 and 2008 are as follows:

	2009	2008
Deferred tax asset:		
Net operating loss carryforward	$ 5,031,000	$ 4,207,000
Accrued expenses and reserves	178,000	135,000
Expenses recognized for granting of options and warrants	862,000	606,000
Total gross deferred tax asset	6,071,000	4,948,000
Less valuation allowance	(6,071,000)	(4,948,000)
	$ -	$ -

The valuation allowance increased during the years ended March 31, 2009 and 2008 by approximately $1,123,000 and $1,236,000, respectively. No current provision for income taxes for the years ended March 31, 2009 and 2008 is required, except for minimum state taxes, since the Company incurred taxable losses during such years.

The provision for income taxes for fiscal 2009 and 2008 was $1,600 and $1,600, respectively, and differs from the amount computed by applying the U.S. Federal income tax rate of 34% to loss before income taxes as a result of the following:

	2009	2008
Computed tax benefit at federal statutory rate	$ (5,679,000)	$ (1,549,000)
State income tax benefit, net of federal effect	1,000	1,000
Non deducible extinguishment of debt	3,688,000	-
Increase in valuation allowance, net of federal effect	955,000	1,068,000
Disallowed convertible debenture interest	770,000	443,000
Other	266,600	38,600
	$ 1,600	$ 1,600

NOTE 6 – INCOME TAXES, continued

As of March 31, 2009, the Company had net operating loss carry forwards of approximately $12,600,000 and $12,600,000 for federal and state income tax reporting purposes, respectively, which expire at various dates through 2028.

The utilization of the net operating loss carry forwards might be limited due to restrictions imposed under federal and state laws upon a change in ownership. The amount of the limitation, if any, has not been determined at this time. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. As a result of the Company's continued losses and uncertainties surrounding the realization of the net operating loss carry forwards, the Company has recorded valuation allowances equal to the net deferred tax asset amounts as of March 31, 2009 and 2008.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Operating Leases

On July 2, 2007, the Company entered into a new lease agreement for a building with approximately 11,881 square feet of manufacturing and office space. The lease agreement is for a period of two years with renewal options for three, one-year periods, beginning September 1, 2007. The lease requires base lease payments of approximately $13,000 per month plus operating expenses. In connection with the lease agreement, the Company issued 10,000 warrants to the lessor at an exercise price of $1.55 per share for a period of two years, valued at $15,486 as calculated using the Black-Scholes option pricing model. The assumptions used under the Black-Scholes pricing model included: a risk free rate of 4.75%; volatility of 293%; an expected exercise term of 5 years; and no annual dividend rate. The Company has capitalized and is amortizing the value of the warrants over the life of the lease and the remaining unamortized value of the warrants has been recorded in other long-term assets. As of March 31, 2009 and 2008, the unamortized balance of the value of the warrants issued to the lessor was $2,970 and $10,074, respectively.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

As of March 31, 2009, future minimum rental payments required under the existing facility operating lease are as follows:

Years Ending March 31,	Operating Lease
2010	$ 65,000

Total rental expense was approximately $183,000 and $155,000 for the years ended March 31, 2009 and 2008, respectively.

Litigation

The Company becomes a party to product litigation in the normal course of business. The Company accrues for open claims based on its historical experience and available insurance coverage. In the opinion of management, there are no legal matters involving the Company that would have a material adverse effect on the Company's consolidated financial condition or results of operations.

Indemnities and Guarantees

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain actions or transactions. The Company indemnifies its directors, officers, employees and agents, as permitted under the laws of the States of California and Nevada. In connection with its facility lease, the Company has indemnified its lessor for certain claims arising from the use of the facility. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement. These guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying consolidated balance sheets.

NOTE 8 – LINE OF CREDIT

On November 5, 2007, the Company secured financing for a $200,000 one-year revolving line of credit (the "Line") secured by a $200,000 Certificate of Deposit with Bank of the West. On November 6, 2008, the Company secured a one-year renewal of the Line for a reduced amount of $100,000 which is secured by a $100,000 Certificate of Deposit with Bank of the West. All borrowings under the revolving line of credit bear variable interest based on the prime rate plus 1% per annum (totaling 4.25% as of March 31, 2009). The Company utilizes the funds advanced from the Line for capital equipment purchases to support the launch of the Company's newly developed product, the CryoPort Express™ One-Way Shipper. As of March 31, 2009 and 2008, the outstanding balance of the Line was $90,310 and $115,943, respectively, including accrued interest of $334 and $443, respectively. During the years ended March 31, 2009 and 2008, the Company made payments against the Line of $25,500 and zero respectively, and recorded interest expense of $3,099 and $1,493, respectively, related to the Line. No funds were drawn against the Line during the year ended March 31, 2009 and $120,000 was drawn against the Line during the year ended March 31, 2008.

NOTE 9 – NOTES PAYABLE

The Company had a non-interest bearing note payable to a third party for $77,304, which was due in April 2003. The Company made the final payments on the note of $5,000 in April 2008 and $7,000 in May 2008. As of March 31, 2009 and 2008, the remaining unpaid balance was zero and $12,000, respectively.

As of March 31, 2009 and 2008, the Company had aggregate principal balances of $1,129,500 and $1,249,500, respectively, in outstanding unsecured indebtedness owed to five related parties, including four former members of the board of directors, representing working capital advances made to the Company from February 2001 through March 2005. These notes bear interest at the rate of 6% per annum and provide for aggregate monthly principal payments which commenced April 1, 2006 of $2,500, and which increased by an aggregate of $2,500 every six months to the current maximum aggregate payment of $10,000 per month. Any remaining unpaid principal and accrued interest is due at maturity on various dates through March 1, 2015.

Related-party interest expense under these notes was $71,676 and $78,243 for the years ended March 31, 2009 and 2008, respectively. Accrued interest related to these notes, which is included in related party notes payable in the accompanying consolidated balance sheets, amounted to $554,260 and $482,584 as of March 31, 2009 and 2008, respectively. As of March 31, 2009, the Company had not made the required payments under the related party notes which were due on January 1, February 1, and March 1, 2009. However, pursuant to the note agreements, the Company has a 120-day grace period to pay missed payments before the notes are in default. On April 29, 2009, May 30, 2009, and June 26, 2009, the Company paid the January 1, February 1 and March 1 payments respectively, due on these related party notes. Management expects to continue to pay all payments due prior to the expiration of the 120-day grace periods.

NOTE 9 – NOTES PAYABLE, continued

In August 2006, Peter Berry, the Company's former Chief Executive Officer, agreed to convert his deferred salaries to a long-term note payable. Under the terms of this note, the Company began to make monthly payments of $3,000 to Mr. Berry in January 2007. In January 2008, these monthly payments increased to $6,000 and will remain at that amount until the loan is fully paid in December 2010. Interest of 6% per annum on the outstanding principal balance of the note began to accrue on January 1, 2008. As of March 31, 2009 and 2008, the total amount of deferred salaries and accrued interest under this arrangement was $157,688 and $201,115, respectively, of which $67,688 and $129,115, respectively is recorded as a long-term liability in the accompanying consolidated balance sheets. Interest expense related to this note was $10,573 and $3,165, respectively for the years ended March 31, 2009 and 2008. Accrued interest related to this note payable amounted to $13,738 and $3,165 at March 31, 2009 and 2008, respectively, and is included in the note payable to officer in the accompanying consolidated balance sheets. In January 2009, Mr. Berry agreed to defer the monthly payments of the note due from January 31, 2009 through June 30, 2009. As of March 31, 2009 these unpaid payments totaled $18,000 and are included in the current liability portion of the note payable in the accompanying consolidated balance sheet. Mr. Berry resigned his position as Chief Executive Officer in February 2009, however remains a director on the Board and continues to work as a consultant for the Company.

NOTE 10 – CONVERTIBLE NOTES PAYABLE

October 2006 Debentures

In October 2006, the Company entered into an Agency Agreement with a broker to raise capital in a private placement offering of convertible debentures under Regulation D. From February 2006 through January 2007, the Company received a total of $120,000 under this private placement offering of convertible debenture debt. Related to the issuance of the convertible debentures, the Company paid commissions to the broker totaling $15,600 which were capitalized as deferred financing costs. During the years ended March 31, 2009 and 2008, the Company amortized zero and $4,699, respectively, of these deferred financing costs to interest expense.

Per the terms of the convertible debenture agreements, the notes had a term of 180 days from issuance, bore interest at 15% per annum and were convertible into shares of the Company's common stock at a ratio of 6.67 shares for every dollar of debt converted. The proceeds of the convertible notes were used in the ongoing operations of the Company. During the year ended March 31, 2008, the Company converted the full $120,000 of principal balances and $8,857 of accrued interest relating to these convertible debentures into 859,697 shares of common stock at a conversion price of $0.15 per share. As of March 31, 2009 and 2008, the balance of these convertible notes and accrued interest was zero. During the years ended March 31, 2009 and 2008, the Company recorded interest expense of zero and $2,784, respectively, related to these notes.

NOTE 10 – CONVERTIBLE NOTES PAYABLE, continued

In connection with the issuance of the convertible debt, the Company recorded a debt discount totaling $106,167 related to the beneficial conversion feature of the notes. The Company amortized the debt discount using the effective interest method through the maturity dates of the notes. As of March 31, 2009 and 2008, the remaining balance of the debt discount was zero. During the years ended March 31, 2009 and 2008, the Company recorded additional interest expense of zero and $29,638, respectively, related to the amortization of the debt discount.

October 2007 Debentures

On October 1, 2007, the Company issued to BridgePointe Master Fund, Ltd. and the Enable Funds (the "October 2007 Debenture Holders"), Original Issue Discount 8% Senior Secured Convertible Debentures (the "October 2007 Debentures") having a principal face amount of $4,707,705 and generating gross proceeds of $4,001,551. After accounting for commissions, legal and other fees, the net proceeds to the Company totaled $3,436,551.

Original Terms, as amended in February 2008:

In accordance with the Convertible Debenture Agreement as amended on February 19, 2008, the principal amount under the October 2007 Debentures is payable to the investors in 24 monthly redemption payments which commenced on March 31, 2008. The principal payments have subsequently been adjusted according to the terms of the January Amendment discussed in further detail below. The Company may elect to make principal redemptions in shares of common stock. If the Company elects to make principal redemptions in common stock, the conversion rate will be the lesser of (a) the Conversion Price (as defined below), or (b) 85% of the lesser of (i) the average of the volume weighted average price for the ten consecutive trading days ending immediately prior to the applicable date a principal redemption is due or (ii) the average of such price for the ten consecutive trading days ending immediately prior to the date the applicable shares are issued and delivered if such delivery is after the principal redemption due date.

At any time, holders may convert the Debentures into shares of common stock at a fixed conversion price of $0.84, subject to adjustment in the event the Company issues common stock (or securities convertible into or exercisable for common stock) at a price below the conversion price as such price may be in effect at various times (the "Conversion Price"). During fiscal 2009 the conversion price was subsequently reset to $0.51 as a result of the January Amendment discussed in further detail below.

Quarterly interest payments for these convertible debentures are payable in cash and commenced on January 1, 2008. The Company may elect to make interest payments in shares of common stock provided, generally, that it is not in default under the Debentures and it has met certain equity conditions prior to the due date of the interest payments. If the Company elects to make interest payments in common stock, the conversion rate will be the lesser of (a) the Conversion

NOTE 10 – CONVERTIBLE NOTES PAYABLE, continued

Price (as defined below), or (b) 85% of the lesser of (i) the average of the volume weighted average price for the ten consecutive trading days ending immediately prior to the applicable date an interest payment is due or (ii) the average of such price for the ten consecutive trading days ending immediately prior to the date the applicable shares are issued and delivered if such delivery is after the interest payment date.

In connection with the Debenture financing transaction, the Company issued to the investors five-year warrants to purchase 5,604,411 shares of common stock at $0.92 per share and two-year warrants to purchase 1,401,103 shares of common stock at $0.90 per share and warrants to purchase 1,401,103 shares of common stock at $1.60 per share (collectively, the “October 2007 Warrants”). The value attributed to these warrants as calculated using the Black-Scholes option pricing model was $7,838,791 on the date of issuance. The valuation of the October 2007 Warrants have been affected by the debt restructurings as the result of subsequent amendments to the October 2007 Debentures as discussed further below.

Under EITF 00-27, the value of the warrants issued to the investors is calculated relative to the total amount of the debt offering. The relative fair value of the warrants issued to the investors was determined to be $2,941,267, or 62.5% of the total offering. The relative fair value of the warrants, along with the effective beneficial conversion feature of the debt ($3,557,761) and the face value discount given to the investors ($706,154), totaled in excess of the face amount of the Debentures. As such, the Company recorded a debt discount equal to the face value of the Debentures of $4,707,705. The debt discount is being amortized by the Company through the maturity dates of the Debentures. The debt discount has been affected by the debt restructurings as a result of subsequent amendments to the October 2007 Debentures discussed in further detail below.

Financing fees of $565,000, including placement agent fees of $440,000 and legal and other fees of $125,000, were paid in cash from the gross proceeds of the Debentures. Joseph Stevens and Company (“Joseph Stevens”) acted as sole placement agent in connection with the Debenture financing transaction. Also in connection with the Debenture financing transaction, the Company issued Joseph Stevens three-year warrants to purchase 560,364 shares of the Company’s common stock exercisable at $0.84 per share. The value of the warrants issued to Joseph Stevens as calculated using the Black-Scholes option pricing model was $525,071.

The total financing fees of $1,090,071 related to the Debenture financing transaction were allocated to the equity and debt components of the financing. The Company recorded 62.5% of the financing fees ($681,294) as costs related to the issuance of the equity instruments, and as such has netted those amounts against additional paid-in capital as of the date of the financing. The remaining 37.5% ($408,777) was recorded as deferred financing costs on the Company’s consolidated balance sheet as of March 31, 2008, and amortized by the Company through the maturity dates of the Debentures under the effective interest method. The deferred financing fees were affected by the debt restructure as a result of the April 2008 Amendment discussed in further detail below.

NOTE 10 – CONVERTIBLE NOTES PAYABLE, continued

In connection with the Debentures, the Company also entered into a registration rights agreement with the investors that requires the Company to register the shares issuable upon conversion of the principal amounts of the Debentures and exercise of the Warrants. Pursuant to the registration rights agreement, on November 9, 2007 the Company filed a Registration Statement on Form SB-2. On January 25, 2008, the registration statement, as amended, became effective with the Securities and Exchange Commission. Per the terms of the registration rights agreement, following the effective date of the registration statement, the Company may force conversion of the Debentures if the market price of the common stock is at least $2.52 for 30 consecutive days. The Company may also prepay the Debentures in cash at 120% of the then outstanding principal balance.

The Debentures rank senior to all of the Company's current and future indebtedness and are secured by substantially all of the Company's assets.

April 2008 Amendment:

On April 30, 2008, the October 2007 Convertible Debenture Agreement was amended to reflect changes to the monthly redemption of principal and changes to the October 2007 Warrants issued with the original October 2007 Debentures. Under the terms of the April 30, 2008 Amendment (the "April Amendment"), the monthly principal redemptions were suspended until August 1, 2008 and the remaining principal due on the October 2007 Debentures were to be paid thereafter on the first date of each month in equal installments through March 27, 2010, the expiration date. Further, the April Amendment changed the exercise price of the October 2007 Warrants issued under the terms of the Securities Purchase Agreement and related Agreements from $0.90, $0.92 and $1.60 to $0.60 each. The number of shares to be purchased under each of the October 2007 Warrants was also adjusted under the terms of the April Amendment so that the original dollar amounts to be raised by the Company through the exercise of each of the October 2007 Warrants remained the same. As a result, the number of shares to be purchased under the October 2007 Warrants increased by 6,024,743 from 8,406,617 to 14,431,360.

The April Amendment to the October 2007 Debentures has been accounted for by the Company as an extinguishment of debt in accordance with EITF Issue No. 96-19 ("EITF Issue No. 96-19"), *Debtor's Accounting for a Modification or Exchange of Debt Instruments*, and EITF Issue No. 06-6 ("EITF Issue No. 06-6"), *Debtor's Accounting For a Modification or Exchange of Convertible Debt Instruments*. The Company determined that the net present value of the cash flows under the terms of the April Amendment was more than 10 percent different from the present value of the remaining cash flows under the terms of the original October 2007 Debentures agreement. Due to the substantial difference, the Company determined an extinguishment of debt had occurred with the April Amendment. Accordingly, the Company

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

recorded the amended October 2007 Debentures at their fair value of $1,805,668 at the date of extinguishment. The difference between the fair value of the amended October 2007 Debentures and the carrying value of the original October 2007 Debentures at the date of debt extinguishment amounting to $732,400 was recorded as part of the loss on debt extinguishment for the year ended March 31, 2009.

As a result of the April Amendment, unamortized deferred financing costs of $312,197 arising from the original issuance of the October 2007 Debentures were written off and were included in the loss on debt extinguishment for the year ended March 31, 2009. There were no debt issuance costs incurred in connection with the April Amendment.

A debt discount of $2,643,192 was recorded in connection with the debt extinguishment from April Amendment to the October 2007 Debentures. The debt discount was amortized monthly based on the maturity dates of the October 2007 Debentures until affected by the August 2008 Amendment discussed in further detail below.

The increase in value of the October 2007 Warrants arising from the change in conversion price and the additional number of warrants issued of $5,858,344 has been accounted for as a payment to the debt holders in connection with the debt extinguishment and included in the loss on debt extinguishment for the year ended March 31, 2009.

The total loss on extinguishment of debt recorded by the Company as a result of changes to the October 2007 Debentures from the April Amendment discussed above totaled $6,902,941 which is included in the loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended March 31, 2009.

August 2008 Amendment:

On August 29, 2008, the Company entered into an “Amendment to Debentures, Agreement and Waiver” (the “August Amendment”) with October 2007 Debenture Holders, to amend the October 2007 Convertible Debenture. The August Amendment waived quarterly interest payments that would otherwise have been due on October 1, 2008 and January 1, 2009 and defers the monthly redemption dates from July 31, 2008 through November 30, 2008 to commence upon December 31, 2008, and terminating upon full redemption of the October 2007 Debentures. In consideration for entering into the August Amendment, the outstanding principal amount of the October 2007 Debentures was increased to an amount equal to 115% of the sum of (i) the outstanding principal amount of as of August 29, 2008, the date of the August Amendment, plus (ii) an amount equal to the additional amount of interest that would have accrued on the October 2007 Debenture from July 1, 2008 through December 31, 2008. There were no changes to the warrants related to the October 2007 Debentures as a result of the August Amendment. Based on the terms of the August Amendment, the principal balances of the October 2007 Debentures increased by $866,202 to $5,285,599.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

The August Amendment to the October 2007 Debentures has been accounted for by the Company as an extinguishment of debt in accordance with EITF Issue No. 96-19 and EITF Issue No. 06-6. The Company determined that the net present value of the cash flows under the terms of the August Amendment was more than 10 percent different from the present value of the remaining cash flows under the terms of the October 2007 Debentures agreement as previously amended in April 2008. Due to the substantial difference, the Company determined an extinguishment of debt had occurred with the August Amendment. Accordingly, the Company recorded the amended October 2007 Debentures at their fair value of $2,203,086 at the date of extinguishment. The difference between the fair value of the amended October 2007 Debentures and the carrying value of the original October 2007 Debentures at the date of debt extinguishment amounting to $91,728 was recorded as an offset against the loss on debt extinguishment for the year ended March 31, 2009.

A debt discount of $3,082,511 was recorded in connection with the debt extinguishment from August Amendment to the October 2007 Debentures which includes $117,851 related to the interest that would have accrued from September to December 2008. This portion of the debt discount was amortized through December 2008, while the remaining $2,964,660 of the debt discount is being amortized monthly based on the maturity dates of the October 2007 Debentures until affected by the January 2009 Amendment discussed in further detail below.

January 2009 Amendment:

Effective January 27, 2009, the October 2007 and May 2008 Convertible Debenture Agreements (see below) were amended to reflect changes to the monthly redemptions of principal, the quarterly payments of interest and changes to the October 2007 and May 2008 Warrants related to the original October 2007 and May 2008 Debentures. Under the terms of the January 27, 2009 Amendment (the “January Amendment”), the “Conversion Price” of the debentures was reset from $0.84 to $0.51, monthly principal redemptions were deferred until August 1, 2009 and the remaining principal due on each of the debentures will be paid thereafter on the first date of each month in twelve equal installments through July 1, 2010, the amended maturity date. During the deferral period interest payments due from January 1, 2009 through July 1, 2009 may be paid monthly by the Company in common stock shares at a conversion rate of $0.40 given that it has met certain equity conditions prior to the due date of the interest payments. If the equity conditions are not met, the Company may add the monthly interest payment to the principal balance of the debenture.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

Further, the January Amendment reset the “Exercise Price” of the October 2007 and May 2008 Warrants issued in connection with the October 2007 and May 2008 Debentures Agreements and related agreements from the then current exercise prices of $0.60, $0.92 and $1.35 to $0.60 and extended the expiration dates of the October 2007 warrants to January 1, 2014. The number of shares to be purchased under the October 2007 and May 2008 warrants were proportionately increased under the terms of the amendments so that the original dollar amounts to be raised by registrant though the exercise of each of the warrants and the proportional number of warrants issued to each Debenture Holder remained the same. As a result, the number of common stock shares to be purchased under the October 2007 Warrants increased by 2,851,897 to 17,283,257.

Under the terms of the January Amendment, in February 2009, the Company issued a total of 320,800 restricted common shares valued at $131,528 to the October 2007 Debenture Holders.

The January Amendment to the October 2007 Debentures has been accounted for by the Company as an extinguishment of debt in accordance with EITF Issue No. 96-19 and EITF Issue No. 06-6. The Company determined that the net present value of the cash flows under the terms of the January Amendment was more than 10 percent different from the present value of the remaining cash flows under the terms of the original October 2007 Debentures agreement. Due to the substantial difference, the Company determined an extinguishment of debt had occurred with the January Amendment. Accordingly, the Company recorded the amended October 2007 Debentures at their fair value of $2,733,557 as of January 27, 2009, the date of extinguishment. The decrease in the fair value of the amended October 2007 Debentures from the carrying value of the amended October 2007 Debentures at the date of debt extinguishment amounting to $367,557 was recorded as an offset to the total loss on debt extinguishment. A new debt discount of $2,552,042 was recorded in connection with the debt extinguishment from the January Amendment to the October 2007 Debentures. The debt discount is being amortized through the July 1, 2010 amended maturity dates of the October 2007 Debentures.

The increase in value of the October 2007 Warrants arising from the change in conversion price and the additional number of warrants issued of $2,874,314 has been accounted for as a payment to the debt holders in connection with the debt extinguishment and included in the loss on debt extinguishment for the year ended March 31, 2009. In addition the fair value of the 320,800 shares issued to the October 2007 Debenture holders totaled $131,528 and has been accounted for as a payment to the debt holders in connection with the debt extinguishment and included in the loss on debt extinguishment for the year ended March 31, 2009.

The total loss on extinguishment of debt recorded by the Company as a result of changes to the October 2007 Debentures from the January Amendment discussed above totaled $2,638,285 which is included in the loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended March 31, 2009.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

Principal and interest:

On January 31, 2008, $100,000 of the October 2007 Debentures was converted by an investor. Using the conversion rate of $0.84 per share per the terms of the Debenture, 119,047 shares of registered common stock were issued to the investor.

On March 31, 2008, the Company converted principal redemptions totaling $188,308 into 224,176 shares of registered common stock and interest payments of $92,821 into 110,501 shares of common stock using the conversion rate of $0.84.

In April 2008, the Company rescinded and cancelled 140,143 shares of registered common stock for principal redemptions of the October 2007 Debentures totaling $117,720 and submitted the cash payments in the same amounts to those holders. Pursuant to a one-time waiver of certain equity conditions, the remaining $70,588 of the March 31 principal redemption was adjusted to reflect a one-time conversion rate of $0.70 and, in April 2008 the Company issued the holder 16,807 additional registered shares in consideration. In addition, the March 31, 2008 interest payments were adjusted to reflect a one-time conversion price of $0.70 and in April 2008 the Company issued the October 2007 Debenture holders 22,099 additional common stock shares. The additional interest expense for the October 2007 Debentures of $5,446 related to the one-time conversion rate adjustments of the March 31, 2008 principal and interest payments from $0.84 to $0.70 was included in accrued interest for the October 2007 Debentures as of March 31, 2008.

On March 1, 2009 the Company increased the principal balances of the October 2007 Debentures by $70,474, the amount of the accrued interest due as of that date, as a result of the equity condition constraints for the conversion of interest payments pursuant to the January Amendment.

As of March 31, 2009 and 2008, the principal balance of the October 2007 Debentures totaled $5,356,073 and $4,419,397, respectively, of which the current portion of $3,570,720 and $1,936,884 is included in the Company's current liabilities in the accompanying consolidated balance sheets as of March 31, 2009 and 2008, respectively. As of March 31, 2009 and 2008, the Company had $35,707 and $5,446, respectively of accrued interest related to the October 2007 Debentures included in the accompanying consolidated balance sheets and recorded a total of $253,495 and $192,421, respectively, of interest expense related to the face rate of interest in the accompanying consolidated statements of operations for the years ended March 31, 2009 and 2008. During the years ended March 31, 2009 and 2008, the Company converted accrued interest payments of $5,446 and $186,975, respectively on the convertible notes into 38,906 and 222,590 shares of common stock, respectively, using a conversion rate of $0.84 per share.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

Changes to the principal balances of the October 2007 Debentures during the years ended March 31, 2009 and 2008 are shown below:

			Principal
October 2007		$	4,707,705
January 2008	Principal Conversion		(100,000)
March 2008	Principal Payment - Shares		(188,308)
Balance at March 31, 2008			4,419,937
August 2008	August Amendment		866,202
March 2009	Accrued Interest		70,474
Balance at March 31, 2009		$	5,356,073

As of March 31, 2009 and 2008, the unamortized balance of the debt discount related to the October 2007 Debentures was $2,251,802 and $3,522,356, respectively. During the years ended March 31, 2009 and 2008 the Company recorded additional interest expense of $1,804,716 and $1,185,348 respectively, related to the amortization of the debt discount associated with the October 2007 Debentures.

As of March 31, 2009 and 2008, the unamortized balance of the deferred financing fees related to the October 2007 Debentures was zero and $325,769, respectively. During the years ended March 31, 2009 and 2008 the Company recorded additional interest expense of $13,572 and $83,007 respectively, related to the amortization of the deferred financing fees associated with the October 2007 Debentures. In connection with the April Amendment described above, the unamortized balance of the deferred financing costs was written off.

Changes to the exercise prices and number of warrants related to the October 2007 Debentures as a result of the April and January Amendments were made according to the following schedule:

	5 Year Warrants	2 Year Warrants	2 Year Warrants	Combined
As Originally Issued:				
No. of warrants	5,604,411	1,401,103	1,401,103	8,406,617
Exercise price	$0.92	$0.90	$1.60	
As Modified April Amendment:				
No. of warrants	8,593,430	2,101,655	3,736,275	14,431,360
Exercise price	$0.60	$0.60	$0.60	
As Modified January Amendment:				
No. of warrants	17,283,257	-	-	17,283,257
Exercise price	$0.60	-	-	

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

May 2008 Debenture

On June 9, 2008, the Company completed the transactions contemplated under a certain Securities Purchase Agreement with an accredited investor providing for the issuance of the Company's Original Issue Discount 8% Secured Convertible Debenture (the "May 2008 Debenture") having a principal face amount of $1,250,000. The Company realized gross proceeds of $1,062,500 after giving effect to a 15% discount. After accounting for commissions and legal and other fees, the net proceeds to the Company totaled $870,625.

Original terms:

Under the original terms, the principal amount under the May 2008 Debenture was payable in 23 monthly payments of $54,348 beginning January 31, 2009. Interest payments are payable in cash quarterly commencing on January 1, 2009. The principal and interest payments have been affected by the debt restructures as a result of the January Amendment discussed in further detail below. The Company may elect to make principal and interest payments in shares of common stock provided, generally, that the Company is not in default under the May 2008 Debenture, it has met certain equity conditions prior to the due dates and there is then in effect a registration statement with respect to the shares issuable upon conversion of the May 2008 Debenture. If the Company elects to make principal or interest payments in common stock, the conversion rate will be the lesser of (a) the Conversion Price (as defined below), or (b) 85% of the lesser of (i) the average of the volume weighted average price for the ten consecutive trading days ending immediately prior to the applicable date an interest payment is due or (ii) the average of such price for the ten consecutive trading days ending immediately prior to the date the applicable shares are issued and delivered if such delivery is after the interest payment date.

At any time, the holder may convert the May 2008 Debenture into shares of common stock at a fixed conversion price of $0.84, subject to adjustment in the event the Company issues common stock (or securities convertible into or exercisable for common stock) at a price below the conversion price as such price may be in effect at various times (the "Conversion Price"). During fiscal 2009, the conversion price was subsequently reset to $0.51 as a result of the January Amendment discussed in further detail below.

Following the effective date of the registration statement described below, the Company may force conversion of the May 2008 Debenture if the market price of the common stock is at least $2.52 for 30 consecutive days. The Company may also prepay the May 2008 Debenture in cash at 120% of the then outstanding principal balance.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

The May 2008 Debenture ranks senior to all current and future indebtedness of the Company, with the exception of the October 2007 Debentures that were issued by the Company which rank senior to the May 2008 Debenture. The May 2008 Debenture is secured by substantially all of the assets of the Company. As part of the transaction, the Company entered into a waiver and subordination agreement with the holders of the October 2007 Debentures.

In connection with the financing transaction, the Company issued to the investor five-year warrants to purchase 1,488,095 shares of the Company's common stock at $0.92 per share and five-year warrants to purchase 1,488,095 shares of common stock at $1.35 per share (collectively, the "May 2008 Warrants").

Under EITF Issue No. 00-27, the value of the May 2008 Warrants issued to the investor was calculated relative to the total amount of the debt offering. The relative fair value of the May 2008 Warrants issued to the investors was determined to be $815,471, or 65.2% of the total offering. The relative fair value of the May 2008 Warrants, along with the effective beneficial conversion feature of the debt ($434,529) and the face value discount given to the investors ($187,500), totaled in excess of the face amount of the May 2008 Debenture. As such, the Company recorded a debt discount equal to the face value of the May 2008 Debenture of $1,250,000. The debt discount is being amortized by the Company to interest expense through the maturity date of the May 2008 Debenture. The debt discount has been affected by the debt restructures as a result of the January Amendment discussed in further detail below.

The Company also entered into a registration rights agreement with the investors that requires the Company to register the shares issuable upon conversion of the May 2008 Debenture and exercise of the May 2008 Warrants within 45 days after the closing date of the transaction. Pursuant to the registration rights agreement, on July 14, 2008 the Company filed a Registration Statement on Form S-1, which became effective with the Securities and Exchange Commission on August 28, 2008. As a result of a timely filing, The Company was not subject to any liquidated damages as described in the registration rights agreement.

Financing fees of $191,875 including placement agent fees of $116,875 and legal and other fees of $75,000 were paid in cash from the gross proceeds of the May 2008 Debenture. National Securities Corporation ("National Securities") acted as sole placement agent in connection with the financing transaction. Also, in connection with the financing transaction, the Company issued National Securities five-year warrants to purchase 148,810 shares of the Company's common stock exercisable at $0.84 per share. The value of the warrants issued to National Securities as calculated using the Black-Scholes option pricing model was $117,530.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

The total financing fees of $309,405 related to the financing transaction have been allocated to the equity and debt components of the financing. The Company has recorded 65.2% of the financing fees ($201,732) as costs related to the issuance of the equity instruments, and as such has netted those amounts against additional paid-in capital as of the date of the financing. The remaining 34.8% ($107,673) were recorded as deferred financing fees. The deferred financing fees have been amortized by the Company through the maturity date of the May 2008 Debenture on a straight-line basis which approximates the effective interest method. The deferred financing fees have been affected by the debt restructures as a result of the January Amendment discussed in further detail below.

All securities were issued pursuant to an exemption from registration in reliance on Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), and based on the investors' representations that they are "accredited" as defined in Rule 501 under the Securities Act.

January 2009 Amendment:

Effective January 27, 2009 the October 2007 and May 2008 Convertible Debenture Agreements were amended to reflect changes to the monthly redemptions of principal, the quarterly payments of interest and changes to the October 2007 and May 2008 Warrants related to the original October 2007 and May 2008 Debentures. Under the terms of the January 27, 2009 Amendment (the "January Amendment"), the "Conversion Price" of the debentures was reset from $0.84 to $0.51, monthly principal redemptions were deferred until August 1, 2009 and the remaining principal due on each of the debentures will be paid thereafter on the first date of each month in twelve equal installments through July 1, 2010, the amended maturity date. During the deferral period interest payments due from January 1, 2009 through July 1, 2009 may be paid monthly by the Company in common stock shares at a conversion rate of $0.40 given that it has met certain equity conditions prior to the due date of the interest payments. If the equity conditions are not met, the Company may add the monthly interest payment to the principal balance of the debenture.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

Further, the January Amendment reset the "Exercise Price" of the October 2007 and May 2008 Warrants issued in connection with the October 2007 and May 2008 Debentures Agreements and related agreements from the then current exercise prices of $0.60, $0.92 and $1.35 to $0.60 and extended the expiration dates of the October 2007 warrants to January 1, 2014. The number of shares to be purchased under the October 2007 and May 2008 warrants were proportionately increased under the terms of the amendments so that the original dollar amounts to be raised by registrant though the exercise of each of the warrants and the proportional number of warrants issued to each Debenture Holder remained the same. As a result, the number of Common stock shares to be purchased under the May 2008 Warrants increased by 2,653,770 to 5,629,960.

Under the terms of the January Amendment, in February 2009, the Company issued a total of 79,200 restricted common shares valued at $32,472 to the May 2008 Debenture Holder.

The January Amendment to the May 2008 Debenture has been accounted for by the Company as an extinguishment of debt in accordance with EITF Issue No. 96-19 and EITF Issue No. 06-6. The Company determined that the net present value of the cash flows under the terms of the January Amendment was more than 10 percent different from the present value of the remaining cash flows under the terms of the original May 2008 Debenture agreement. Due to the substantial difference, the Company determined an extinguishment of debt had occurred with the January Amendment. Accordingly, the Company recorded the amended May 2008 Debenture at its fair value of $526,950 as of January 27, 2009, the date of extinguishment. The increase in the fair value of the amended May 2008 Debentures from the carrying value of the original May 2008 Debentures at the date of debt extinguishment amounted to $193,614 and was recorded as a loss on debt extinguishment for the year ended March 31, 2009. A new debt discount of $723,050 was recorded in connection with the debt extinguishment from January Amendment to the May 2008 Debenture. The debt discount is being amortized through the July 1, 2010 amended maturity date of the May 2008 Debenture.

The increase in value of the May 2008 Warrants arising from the change in conversion price and the additional number of warrants issued of $1,092,028 has been accounted for as a payment to the debt holders in connection with the debt extinguishment and included in the loss on debt extinguishment for the year ended March 31, 2009. In addition the fair value of the 79,200 shares issued to the May 2008 Debenture holder totaled $32,472 and has been accounted for as a payment to the debt holders in connection with the debt extinguishment and included in the loss on debt extinguishment for the year ended March 31, 2009.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

As a result of the January Amendment, unamortized deferred financing costs of $78,961 arising from the original issuance of the May 2008 Debentures were written off and were included in the loss on debt extinguishment for the year ended March 31, 2009. There were no debt issuance costs incurred in connection with the January Amendment.

The total loss on extinguishment of debt recorded by the Company as a result of changes to the May 2008 Debenture from the January Amendment discussed above totaled $1,397,075 which is included in the loss on extinguishment of debt in the accompanying consolidated statement of operations for the year ended March 31, 2009.

Principal and interest:

On March 1, 2009 the Company increased the principal balances of the May 2008 Debenture by $75,556, the amount of the accrued interest due as of that date, as a result of the equity condition constraints for the conversion of interest payments pursuant to the January Amendment.

As of March 31, 2009, the principal balance of the May 2008 Debenture totaled $1,325,556, of which the current portion of $883,704 is included in the Company's current liabilities in the accompanying consolidated balance sheet at March 31, 2009.

Changes to the principal balance of the May 2008 Debenture during the year ended March 31, 2009 are shown below:

			Principal
May 2008		$	1,250,000
March 2009	Accrued Interest		75,556
Balance at March 31, 2009		$	1,325,556

For the year ended March 31, 2009, the Company recorded interest expense of $84,393 related to the face rate of interest, of which $8,837 is included in accrued interest in the accompanying consolidated balance sheet at March 31, 2009.

During the year ended March 31, 2009, the Company recorded additional interest expense of $418,400 related to the amortization of the debt discount. As of March 31, 2009, the unamortized balance of the debt discount was $637,986.

During the year ended March 31, 2009, the Company recorded additional interest expense of $28,712 related to the amortization of the deferred financing fees on the May 2008 Debenture. In connection with the January Amendment described above, the unamortized balance of the deferred financing costs was written off. As of March 31, 2009, the unamortized balance of the deferred financing fees was zero.

NOTE 10 - CONVERTIBLE NOTES PAYABLE, continued

Changes to the exercise prices and number of warrants related to the May 2008 Debenture as a result of the January Amendment were made according to the following schedule:

	5 Year Warrants	5 Year Warrants	Combined
As Originally Issued:			
No. of warrants	**1,488,095**	**1,488,095**	**2,976,190**
Exercise price	$0.92	$1.35	
As Modified January Amendment:			
No. of warrants	**5,629,960**		**5,629,960**
Exercise price	$0.60		

Private Placement Debentures

In March 2009 the Company entered into an Agency Agreement with a broker to raise capital in a private placement offering of one-year convertible debentures under Regulation D (the "Private Placement Debentures"). From March through June 2009, the Company intends to raise up to a maximum of $1,500,000 under this private placement offering of convertible debenture debt. On March 31, 2009, the Company had received initial gross proceeds of $60,000 under this private placement offering of convertible debentures. Related to the issuance of the convertible debentures, the Company accrued for commissions to the broker totaling $3,600 which have been capitalized as deferred financing costs. The deferred financing costs will be amortized to interest expense by the Company through the maturity dates of the debentures on a straight-line basis which approximates the effective interest method.

The Company may elect to make principal redemptions on the maturity dates of the debentures in shares of common stock at a fixed conversion price of $0.51. At any time, holders may convert the debentures into shares of common stock at the fixed conversion price of $0.51. The conversion price is subject to adjustment in the event the Company issues the next equity financing of at least $2,500,000 at a price below $0.51.

Per the terms of the convertible debenture agreements, the notes have a term of one year from issuance and are redeemable by the Company with two days notice. The notes bear interest at 8% per annum and are convertible into shares of the Company's common stock at a conversion rate of $0.51. As of March 31, 2009 the balance of these convertible notes was $60,000 and accrued interest was zero.

In connection with the financing transaction, the Company issued to the investors five-year warrants (the "Private Placement Warrants") to purchase 23,529 shares of the Company's common stock at $0.51 per share. The exercise price of the warrants is subject to adjustment in the event the Company issues the next equity financing of at least $2,500,000 at a price below $0.51.

NOTE 10 – CONVERTIBLE NOTES PAYABLE, continued

Under EITF Issue No. 00-27, the value of the Private Placement Warrants issued to the investor was calculated relative to the total amount of the debt offering. The relative fair value of the Private Placement Warrants issued to the investors was determined to be $9,146, or 15.2% of the total offering. The relative fair value of the Private Placement Warrants, along with the effective beneficial conversion feature of the debt of $4,440 were recorded as a total debt discount of $13,586 as of March 31, 2009 which is reported in the accompanying consolidated balance sheet. The Company will amortize the debt discount using the effective interest method through the maturity dates of the notes.

As of June 22, 2009 the Company had received additional gross proceeds of $906,500 under this private placement of convertible debentures. (See Note 14)

Future Maturities

Future maturities of all notes payable at March 31, 2009 are as follows:

Years Ending March 31,	Oct. 2007 May 2008 Convertible Debentures	Note Payable Officer	Related Party Notes	Private Placement Conv. Debt.	Total
2010	$ 4,454,424	$ 90,000	$ 150,000	$ 60,000	$ 4,754,424
2011	2,227,205	53,950	120,000	-	2,401,155
2012	-	-	104,000	-	104,000
2013	-	-	96,000	-	96,000
2014	-	-	96,000	-	96,000
Thereafter	-	-	563,500	-	563,500
	$ 6,681,629	$ 143,950	$ 1,129,500	$ 60,000	$ 8,015,079

NOTE 11– COMMON STOCK

In April 2007, the Company issued 375,000 shares of restricted common stock in lieu of fees paid to a consultant. These shares were issued at a value of $1.02 per share (based on the underlying stock price on the agreement date after a fifteen percent deduction as the shares are restricted) for a total cost of $382,500 which has been included in selling, general and administrative expenses for the year ended March 31, 2008.

During fiscal 2008, the Company entered into Agency Agreements with a broker to raise funds in private placement offerings of common stock under Regulation D. In connection with these private placement offerings, the Company sold 3,652,710 shares of common stock at an average price of $0.22 per share resulting in gross proceeds of $789,501 and incurred offering costs of $89,635.

NOTE 11– COMMON STOCK, continued

During fiscal 2008, the Company issued 156,250 shares of common stock resulting from exercises of stock options and warrants at an average price of $0.69 per share for proceeds of $107,500 and issued 386,726 shares of common stock from the cashless exercises of a total of 465,469 warrants.

In October 2007, the Company engaged the firm of Carpe DM, Inc. to perform the services as the Company's investor relations and public relations representative for a monthly fee of $7,500 per month. Pursuant to the terms of this 36 month consulting agreement, the Company issued 150,000 S-8 registered shares at $0.80 per share and a total value of $120,000, and 250,000 fully vested and non-forfeitable warrants at an exercise price of $1.50 per share for a period of two and one-half years, valued at $229,834 as calculated using the Black-Scholes option pricing model. On November 13, 2007, the Company filed the Form S-8 as required by this agreement with the Securities and Exchange Commission. The Company recorded the combined value of $349,834 of the shares and warrants issued as prepaid expense which is being amortized over the life of the services agreement. As of March 31, 2009 and 2008, the unamortized balance of the value of the shares and warrants issued to Carpe DM, Inc. was $174,928 and $291,532, respectively, and $116,604 and $58,302, respectively has been amortized and included in selling, general and administrative expenses as outside services expense for the years ended March 31, 2009 and 2008.

On October 16, 2007, the shareholders approved an increase in the total number of voting common shares authorized to be issued to 125,000,000 shares.

On January 31, 2008, $100,000 of the October 2007 Debentures was converted by an investor. Using the conversion rate of $0.84 per share per the terms of the Debenture, 119,047 shares of registered common stock were issued to the investor.

On March 31, 2008, the Company converted principal redemptions totaling $188,308 into 224,176 shares of registered common stock and interest payments of $92,821 into 110,501 shares of common stock using the conversion rate of $0.84.

In April 2008, the Company rescinded and cancelled 140,143 shares of registered common stock for principal redemptions of the October 2007 Debentures totaling $117,720 and submitted the cash payments in the same amounts to those holders. Pursuant to a one-time waiver of certain equity conditions, the remaining $70,588 of the March 31 principal redemption was adjusted to reflect a one-time conversion rate of $0.70 and, in April 2008 the Company issued the holder 16,807 additional registered shares in consideration. In addition, the March 31, 2008 interest payments were adjusted to reflect a one-time conversion price of $0.70 and in April 2008 the Company issued the October 2007 Debenture holders 22,099 additional common stock shares. The additional interest expense for the October 2007 Debentures of $5,446 related to the one-time conversion rate adjustments of the March 31, 2008 principal and interest payments from $0.84 to $0.70 was included in accrued interest for the October 2007 Debentures as of March 31, 2008 (see Note 10).

NOTE 11– COMMON STOCK, continued

During fiscal 2009, the Company issued 244,722 shares of restricted common stock in lieu of fees paid to various consultants for services performed. These shares were issued at an average price of $0.69 (based on the underlying stock prices on the dates of issuances) for a total cost of $168,769 which has been included in selling, general and administrative expenses for the year ended March 31, 2009.

During fiscal 2009, the Company issued 82,693 shares of common stock resulting from exercises of stock options and warrants at an average price of $0.04 per share for proceeds of $3,307 and issued 150,022 shares of common stock from the cashless exercises of a total of 157,000 stock options.

Under the terms of the January Amendment, in February 2009, the Company issued a total of 400,000 restricted common stock shares to the October 2007 and May 2008 Debenture Holders. The total fair value of the shares issues totaled $164,000 and has been included in the loss on extinguishment of debt for the year ended March 31, 2009.

In March 2009, the Company issued 157,516 S-8 registered shares of common stock in lieu of fees paid for services performed by consultants. On March 28, 2009, the Company filed the Form S-8 with the Securities and Exchange Commission. These shares were issued at a value of $0.51 per share for a total cost of $80,333 which has been included in selling, general and administrative expenses for the year ended March 31, 2009 (see Note 10).

NOTE 12 – STOCK OPTIONS AND WARRANTS

Effective October 1, 2002, the Company adopted the 2002 Stock Option Plan (the “2002 Plan”). The stockholders of the Company approved the 2002 Plan on October 1, 2002. Under the 2002 Plan, incentive stock options and nonqualified options may be granted to officers, employees and consultants of the Company for the purchase of up to 5,000,000 shares of the Company’s common stock. The exercise price per share under the incentive stock option plan shall not be less than 100% of the fair market value per share on the date of grant. The exercise price per share under the non-qualified stock option plan shall not be less than 85% of the fair market value per share on the date of grant. Expiration dates for the grants may not exceed 10 years from the date of grant. The 2002 Plan terminates on October 1, 2012.

NOTE 12 –STOCK OPTIONS AND WARRANTS, continued

No incentive stock options or non-qualified stock options were granted during the years ended March 31, 2009 and 2008. All options granted have an exercise price equal to the fair market value at the date of grant, vest upon grant or agreed upon vesting schedules and expire five years from the date of grant. Total compensation expense recognized in the years ended March 31, 2009 and 2008 for options issued to consultants in prior years was zero. During the years ended March 31, 2009 and 2008, 239,693 and 50,000, respectively, options were exercised. As of March 31, 2009 and 2008, there were 2,198,920 and 2,438,613 options outstanding, respectively, at an average exercise price of $0.49 and $0.45 per share, respectively, under the 2002 Plan. There were no stock options granted subsequent to March 31, 2009. The Company had 2,511,387 options available for grant under the 2002 Plan at March 31, 2009.

From time to time, the Company issues warrants pursuant to various consulting agreements and other compensatory arrangements.

During the year ended March 31, 2008, the Company issued a total of 6,261,375 warrants to purchase shares of the Company's common stock at an average price of $0.42 per share to 79 individual investors in connection with funds raised in private placement offerings. The warrants were issued with exercise periods of 18 months originating from the related investment dates. The expiration dates ranged from December 2008 to October 2009.

In July 2007, the Company issued warrants to purchase a total of 699,438 shares of the Company's common stock at an average exercise price of $0.29 per share to a broker in connection with funds raised in previous private placement offerings. These warrants have 5 year terms beginning from the dates of the placement offerings and the expiration dates range from March 2011 to March 2012.

On July 2, 2007, in connection with the facility lease agreement, the Company issued 10,000 warrants to the lessor, at an exercise price of $1.55 per share for a period of two years, valued at $15,486 as calculated using the Black-Scholes option pricing model. The Company is amortizing the value of the warrants over the life of the lease and the remaining unamortized value of the warrants has been recorded in other long term assets. As of March 31, 2009 and 2008, the unamortized balance of the value of the warrants issued to the lessor was $2,970 and $10,074, respectively and $7,104 and $5,412, respectively, has been included in selling, general and administrative expenses as additional rent expense for the years ended March 31, 2009 and 2008.

NOTE 12 –STOCK OPTIONS AND WARRANTS, continued

On July 30, 2007, in connection with the purchase of manufacturing equipment, the Company issued 79,208 warrants to the seller at an exercise price of $1.01 per share, with a five year term. The Company has determined the fair value of the issued warrants, based on the Black-Scholes pricing model, to be $79,926 as of the date of grant of which $10,000 has been recorded as fixed assets in the accompanying consolidated balance sheets as of March 31, 2009 and 2008 (which approximates the fair market value of the equipment acquired) and $69,926 has been recorded as consulting expense and is included in selling, general and administrative expenses for services performed by the seller for the year ended March 31, 2008.

On August 21, 2007, in connection with the extension of payment terms of outstanding amounts owed, the Company issued 20,000 warrants to First Capital Investors, LLC, at an exercise price of $0.75 per share with a term of two years. The Company has determined the fair value of the issued warrants, based on the Black-Scholes pricing model, to be $14,984 as of the date of grant which has been recorded as consulting and compensation expense and is included in selling, general and administrative expenses for the year ended March 31, 2008.

On October 1, 2007, in connection with the convertible debenture financing transaction, the Company issued to the investors five-year warrants to purchase 5,604,411 shares of common stock at $0.92 per share and two-year warrants to purchase 1,401,103 shares of common stock at $0.90 per share and 1,401,103 shares of common stock at $1.60 per share. These warrants were subsequently increased to a total of 17,283,257, the exercise prices reset to $0.60 and expiration dates extended to January 1, 2014 as a result of the April 2008 and January 2009 Amendments (see Note 10).

Also in connection with the convertible debenture financing transaction, in October 2007, the Company issued Joseph Stevens and Company three year warrants to purchase 560,364 shares of the Company's common stock at $0.84 per share (see Note 10).

In October 2007, the Company engaged the firm of Carpe DM, Inc. to perform the services as the Company's investor relations and public relations representative for a monthly fee of $7,500 per month. Pursuant to the terms of this 36 month consulting agreement, the Company issued 150,000 S-8 registered shares at $0.80 per share and a total value of $120,000, and 250,000 fully vested and non forfeitable warrants at an exercise price of $1.50 per share for a period of two and one-half years, valued at $229,834 as calculated using the Black-Scholes option pricing model. The Company has recorded the combined value of $349,834 of the shares and warrants issued as prepaid expense which is being amortized over the life of the services agreement (see Note 11).

NOTE 12 –STOCK OPTIONS AND WARRANTS, continued

During fiscal 2009, the Company issued a total of 1,840,400 warrants to various board members, advisory board members, employees, and ongoing consultants to purchase shares of the Company's common stock. The weighted average exercise price of these warrants is $0.79. The exercise prices of these warrants are equal to the fair values of the Company's shares as of the dates of each grant. The Company has determined the aggregate fair value of the issued warrants, based on the Black-Scholes pricing model, to be approximately $990,480 as of the dates of each grant. The assumptions used under the Black-Scholes pricing model included: a risk free rate ranging from 1.52% to 3.15%; volatility ranging from 201% to 266%; an expected exercise term of 5 years; and no annual dividend rate. Of total fair market value of $751,325 for warrants issued and vested during fiscal 2009, $232,964 was recorded as a portion of the capitalized software development costs and $518,361 has been recorded as consulting and compensation expense and is included in selling, general and administrative expenses for the year ended March 31, 2009. As of March 31, 2009 and 2008 the Company had $287,722 and $105,965, respectively, related to unvested warrants which will be recognized as selling, general and administrative expenses in future periods as the warrants become vested. In addition, during fiscal 2009 the Company recognized $57,398 of compensation expense related to the vesting of warrants issued in prior years which is included in general and administrative expenses for the year ended March 31, 2009.

During fiscal 2008, the Company issued a total of 887,800 warrants to various board members, advisory board members, employees, and ongoing consultants to purchase shares of the Company's common stock. The weighted average exercise price of these warrants is $0.97. The exercise prices of these warrants are equal to the fair values of the Company's shares as of the dates of each grant. The Company has determined the aggregate fair value of the issued warrants, based on the Black-Scholes pricing model, to be approximately $858,105 as of the dates of each grant. The assumptions used under the Black-Scholes pricing model included: a risk free rate ranging from 3.74% to 4.75%; volatility ranging from 229% to 293%; an expected exercise term of 5 years; and no annual dividend rate. Of this total fair market value of warrants, $742,140 has been recorded as consulting and compensation expense and is included in selling, general and administrative expenses for the year ended March 31, 2008 and $105,965 relates to unvested warrants which will be recognized as the warrants become vested.

On May 27, 2008, in connection with the convertible debenture financing transaction, the Company issued to the investors five-year warrants to purchase 1,488,095 shares of common stock at $0.92 per share and 1,488,095 shares of common stock at $1.35 per share. These warrants were subsequently increased to a total of 5,629,960, the exercise prices reset to $0.60 and expiration dates extended to January 1, 2014 as a result of the April 2008 and January 2009 Amendments (see Note 10).

Certain warrants issued in conjunction with compensation and fundraising activities contain a cashless exercise provision. Under the provision, the holder of the warrant surrenders those warrants whose fair market value is sufficient to affect the exercise of the entire warrant quantity. The warrant holder then is issued shares based on the remaining net warrant and no proceeds are obtained by the Company. The surrendered warrants are cancelled by the Company in connection with this transaction.

NOTE 12 –STOCK OPTIONS AND WARRANTS, continued

The following represents a summary of all stock option and warrant activity for the years ended March 31, 2009 and 2008:

	2009		2008	
	Options and Warrants	Weighted Average Exercise Price	Options and Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	20,397,271	$ 0.74	4,520,021	$ 0.58
Issued	16,519,340	0.62	17,174,802	0.77
Exercised	(232,715)	0.04	(621,719)	0.32
Expired/forfeited	(47,603)	2.50	(675,833)	0.96
Outstanding at end of year	36,636,293	$ 0.59	20,397,271	$ 0.74
Exercisable at end of year	36,086,293	$ 0.59	20,297,271	$ 0.74
Weighted average fair value of warrants issued		$ 0.70		$ 1.12

The following table summarizes information about stock options and warrants outstanding and exercisable at March 31, 2009:

	Warrants and Options Outstanding			Warrants and Options Exercisable	
Exercise Price	Number of Options and Warrants Outstanding And Exercisable	Weighted Average Remaining Contractual Life –Years	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 1.05 - $3.50	1,098,950	5.6	$ 1.42	1,048,950	$ 1.44
$ 0.80 - $1.00	3,319,132	6.2	$ 0.90	2,819,132	$ 0.91
$ 0.50 - $0.75	25,380,822	5.8	$ 0.60	25,380,822	$ 0.60
$ 0.04 - $0.30	6,837,389	1.2	$ 0.28	6,837,389	$ 0.28
	36,636,293			36,086,293	

NOTE 13 – RELATED PARTY TRANSACTIONS

In August 2006, Peter Berry, the Company's former Chief Executive Officer, agreed to convert his deferred salaries to a long-term note payable. Under the terms of this note, the Company began to make monthly payments of $3,000 to Mr. Berry in January 2007. In January 2008, these monthly payments increased to $6,000 and will remain at that amount until the loan is fully paid in December 2010. Interest of 6% per annum on the outstanding principal balance of the note began to accrue on January 1, 2008. As of March 31, 2009 and 2008, the total amount of deferred salaries and accrued interest under this arrangement was $157,688 and $201,115, respectively, of which $67,688 and $129,115, respectively is recorded as a long-term liability in the accompanying consolidated balance sheets. Interest expense related to this note was $10,573 and $3,165, respectively for the years ended March 31, 2009 and 2008. Accrued interest related to this note payable amounted to $13,738 and $3,165 at March 31, 2009 and 2008, respectively, and is included in the note payable to officer in the accompanying consolidated balance sheets. In January 2009, Mr. Berry agreed to deferred the monthly payments of the note due from January 31, 2009 through June 30, 2009. As of March 1, 2009 these unpaid payments totaled $18,000 and are included in the current liability portion of the note payable in the accompanying consolidated balance sheet. (see Note 9). Mr. Berry resigned his position as Chief Executive Officer in February 2009, however remains a director on the Board and continues to work as a consultant for the Company.

Since June 2005, the Company has retained the legal services of Gary C. Cannon, Attorney at Law, for a monthly retainer fee. From June 2005 to May 2009, Mr. Cannon also served as the Company's Secretary and a member of the Company's Board of Directors. Mr. Cannon continues to serve as Corporate Legal Counsel for the Company and serves as a member of the Advisory Board. In December 2007, Mr. Cannon's monthly retainer for legal services was increased from $6,500 per month to $9,000 per month. During the years ended March 31, 2009 and 2008, the total amount expensed by the Company for retainer fees and out of pocket expenses was $108,050 and $88,248, respectively. From October 2008 through March 31, 2009 Mr. Cannon agreed to defer a portion of his monthly payments and as of March 31, 2009 a total of $15,000 had been deferred is included in accounts payable in the accompanying consolidated balance sheet. Additionally, during the years ended March 31, 2009 and 2008, The Company expensed board fees for Mr. Cannon totaling $24,000 and $12,650, respectively and at March 31, 2009 $15,000 of deferred board fees was included in accrued expenses. During fiscal year 2009 Mr. Cannon was granted a total of 95,150 warrants with an average exercise price of $0.67 per share, and 72,800 warrants with an average exercise price of $0.93 during fiscal 2008. All warrants granted to Mr. Cannon were issued with an exercise price of greater than or equal to the fair value of the Company's shares on the grant date.

NOTE 13 – RELATED PARTY TRANSACTIONS, continued

As of March 31, 2009 and 2008, the Company had aggregate principal balances of $1,129,500 and $1,249,500, respectively, in outstanding unsecured indebtedness owed to five related parties, including four former members of the board of directors, representing working capital advances made to the Company from February 2001 through March 2005. These notes bear interest at the rate of 6% per annum and provide for aggregate monthly principal payments which commenced April 1, 2006 of $2,500, and which increased by an aggregate of $2,500 every six months to the current maximum aggregate payment of $10,000 per month. Any remaining unpaid principal and accrued interest is due at maturity on various dates through March 1, 2015.

Related-party interest expense under these notes was $71,646 and $78,243 for the years ended March 31, 2009 and 2008, respectively. Accrued interest, which is included in related party notes payable in the accompanying consolidated balance sheets, related to these notes amounted to $554,260 and $482,584 as of March 31, 2009 and 2008, respectively. As of March 31, 2009, the Company had not made the required payments under the related party notes which were due on January 1, February 1, and March 1, 2009. However, pursuant to the note agreements, the Company has a 120-day grace period to pay missed payments before the notes are in default. On April 29, 2009, May 30, 2009, and June 26, 2009, the Company paid the January 1, February 1 and March 1 payments respectively, due on these related party notes. Management expects to continue to pay all payments due prior to the expiration of the 120-day grace periods.

NOTE 14 – SUBSEQUENT EVENTS

In March 2009 the Company entered into an Agency Agreement with a broker to raise capital in a private placement offering of one-year convertible debentures under Regulation D (the "Private Placement Debentures"). From March through June 2009, the Company intends to raise up to a maximum of $1,500,000 under this private placement offering of convertible debenture debt. On March 31, 2009, the Company had received initial gross proceeds of $60,000 under this private placement offering of convertible debentures. Through June 22, 2009 the Company had raised an additional $904,500 under the Private Placement Debentures. Related to the issuance of the convertible debentures, the Company paid additional commissions to the broker totaling $54,270 which will be capitalized as deferred financing costs. The deferred financing costs will be amortized to interest expense by the Company through the maturity dates of the debentures on a straight-line basis which approximates the effective interest method.

The Company may elect to make principal redemptions on the maturity dates of the debentures in shares of common stock at a fixed conversion price of $0.51. At any time, holders may convert the debentures into shares of common stock at the fixed conversion price of $0.51. The conversion price is subject to adjustment in the event the Company issues the next equity financing of at least $2,500,000 at a price below $0.51.

NOTE 14 – SUBSEQUENT EVENTS, continued

Per the terms of the convertible debenture agreements, the notes have a term of one year from issuance and are redeemable by the Company with two days notice. The notes bear interest at 8% per annum and are convertible into shares of the Company's common stock at a conversion rate of $0.51. As of June 22, 2009 the total gross proceeds raised in connection with these Private Placement Debentures was $964,500.

In connection with the financing transaction, since March 31, 2009, the Company has issued to the investors additional five-year warrants (the "Private Placement Warrants") to purchase 354,714 shares of the Company's common stock at $0.51 per share. The exercise price of the warrants is subject to adjustment in the event the Company issues the next equity financing of at least $2,500,000 at a price below $0.51. As of June 22, 2009 the Company had issued a total of 378,243 Private Placement Warrants in connection with these Private Placement Debentures.

The Company will calculate the value of the Private Placement Warrants relative to the total amount of the debt offering which will be recorded as a debt discount and amortized as interest expense using the effective interest method through the maturity dates of the notes.

In April 2009, the Company issued 64,000 shares of unrestricted common stock in lieu of fees paid to a consultant pursuant to the Company's Form S-8 filed on April 13, 2009. These shares were issued at a value of $0.51 per share for a total cost of $32,640 which will be reported in selling, general and administrative expenses for the Company in the quarter ending June 30, 2009.

In June 2009, the Company issued 145,425 shares of unrestricted common stock in lieu of fees paid to various consultants pursuant to the Company's Form S-8 filed on June 11, 2009. These shares were issued at a value of $0.51 per share for a total cost of $74,167 which will be reported in selling, general and administrative and research and development expenses for the Company in the quarter ending June 30, 2009.

On April 1, 2009, the Company issued 111,360 common stock shares to the October 2007 and May 2008 Debenture holders for total payments of $44,544 interest accrued as of March 31, 2009 using the conversion rate of $0.40. Through June 22, 2009 an additional 222,720 common stock shares have been issued using the conversion rate of $0.40 for the payment of $89,088 of accrued interest on the October 2007 and May 2008 Convertible Debentures.

In May 2009 the October 2007 Convertible Debenture holders redeemed principal balances totaling $713,000 in exchange for 1,398,039 common stock shares using the conversion rate of $0.51.

In May 2009, the Company issued 110,345 shares of common stock from exercises of a total of 119,000 cashless stock options.

NOTE 14 – SUBSEQUENT EVENTS, continued

In April 2009, the Company issued a total of 200,000 warrants in lieu of payment to consultants to purchase shares of the Company's common stock at an average exercise price of $0.51 per share. The exercise prices of these warrants are greater than or equal to the fair values of the Company's shares as of the dates of each grant. The fair market value of the warrants based on the Black-Scholes pricing model will be recorded as consulting and compensation expense and included in selling, general and administrative expenses in the quarter ending June 30, 2009.

During the period April through June 2009, the Company issued a total of 209,800 warrants to various board members, advisory board members, employees, and ongoing consultants as part of a previously approved and ongoing compensation plan to purchase shares of the Company's common stock at an average exercise price of $0.56 per share. The exercise prices of these warrants are greater than or equal to the fair values of the Company's shares as of the dates of each grant. The fair market value of the warrants based on the Black-Scholes pricing model will be recorded as consulting and compensation expense and included in selling, general and administrative expenses in the quarter ending June 30, 2009.

Exhibit 17.2

Peter Berry
74 Costa Brava
Laguna Niguel, CA 92677

February 20, 2009

Mr. Larry Stambaugh, Chairman
CryoPort, Inc.
20382 Barents Sea Circle
Lake Forest, CA 92630

Dear Larry,

Effective February 20, 2009, I am resigning as President and Chief Executive Officer of CryoPort, Inc. and CryoPort Systems, Inc to assume my new position as advisor to CryoPort, Inc.'s new Chief Executive Officer as set forth in the Consulting Agreement entered into between myself and CryoPort, Inc.

Sincerely,

/s/ Peter Berry
Peter Berry

Exhibit 17.3

GARY CURTIS CANNON
ATTORNEY AT LAW
11497 Tree Hollow Lane
San Diego, CA 92128-5287

Telephone (858) 391-9083 Facsimile (858) 391-9084
email: gcannon@GaryCurtisCannonAttorney.com

May 4, 2009

Larry Stambaugh
Chairman of the Board
Cryoport, Inc.
20382 Barents Sea Circle
Lake Forest, CA 92630

Re: Resignation from the CryoPort, Inc. Board of Directors

Dear Larry,

I resign my position on the Board of Directors for CryoPort, Inc. It has been a pleasure to serve with so many fine individuals.

Sincerely,

/s/ Gary Curtis Cannon
Gary Curtis Cannon
Attorney at Law

GCC/dc

Cc: File

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements Nos. 333-147300, 333-158209, and 333-159899 on Form S-8 of our report dated June 30, 2009, relating to the consolidated financial statements of Cryoport, Inc. and subsidiary (the “Company”) (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the substantial doubt about the Company’s ability to continue as a going concern), appearing in this Annual Report on Form 10-K of Cryoport, Inc. for the year ended March 31, 2009.

/s/ KMJ Corbin & Company LLP

Costa Mesa, California
June 30, 2009

Exhibit 31.1

CERTIFICATIONS

I, Larry G. Stambaugh, certify that:

1. I have reviewed this annual report on Form 10-K of Cryoport, Inc.

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

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

4. The registrant's other certifying officer(s) 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 control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

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

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

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

   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 (the registrants fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our 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 functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: July 1, 2009

/s/ Larry G. Stambaugh
LARRY G. STAMBAUGH
CEO, President

Exhibit 31.2

CERTIFICATIONS

I, Dee S. Kelly, certify that:

1. I have reviewed this annual report on Form 10-K of Cryoport, Inc.

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

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

4. The registrant's other certifying officer(s) 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 control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

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

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

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

   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 (the registrants fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our 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 functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

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

Date: July 1, 2009
/s/ Dee S. Kelly
DEE S. KELLY
Vice President, Finance

Exhibit 32.1

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

In connection with the Annual Report of the Cryoport, Inc. (the “Company”) on Form 10-K for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Larry G. Stambaugh, CEO, President of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 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.

/s/ Larry G. Stambaugh
LARRY G. STAMBAUGH
CEO, President
July 1, 2009

Exhibit 32.2

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

In connection with the Annual Report of the Cryoport, Inc. (the "Company") on Form 10-KSB for the period ended March 31, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dee S. Kelly, Vice President, Finance of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 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.

/s/ Dee S. Kelly
DEE S. KELLY
Vice President, Finance
July 1, 2009