ChromaDex Corp.
Form 10-K
March 31, 2010
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended January 2, 2010

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

Commission file number 000-53290

CHROMADEX CORPORATION

(Exact name of Registrant as specified in its Charter)

Delaware	26-2940963
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)
10005 Muirlands Blvd. Suite G, Irvine, California	**92618**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (949) 419-0288

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of Each Exchange on Which Registered
N/A	**N/A**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, $0.001 par value**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ¨ NO x

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 x

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 preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES x NO ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ¨ NO ¨

Indicate by check mark 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 registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of accelerated filer, large 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 x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ¨ NO x

As of July 4, 2009, the aggregate market value of the common stock held by non-affiliates of the Registrant was approximately $9,011,943.

Number of shares of common stock of the registrant outstanding as of March 31, 2010 : 28,838,216

DOCUMENTS INCORPORATED BY REFERENCE	**PART OF**
Definitive Proxy Statement for the 2010 Annual Meeting of Stockholders which will be filed within 120 days of the fiscal year ended January 2, 2010.	Part III of Form 10-K

Table of Contents

TABLE OF CONTENTS

Table of Contents

PART I

CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K (the Form 10-K) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect the current view about future events. When used in this Form 10-K the words anticipate, believe, estimate, expect, future, intend, plan or the negative of these similar expressions as they relate to us or our management identify forward looking statements. Such statements, include, but not limited to, statements contained in this Form 10-K relating to our business strategy and capital outlook. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statement of historical fact nor guarantees of assurance of future performance. We caution you therefore against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward looking statements include, a continued decline in general economic conditions nationally and internationally, decreased demand for our products and services; market acceptance of our products; the ability to protect our intellectual property rights; impact of any litigation or infringement actions brought against us; competition from other providers and products; risks in product development; inability to raise capital to fund continuing operations; changes in government regulation, the ability to complete customer transactions and capital raising transactions, and other factors (including the risks contained in the section of this report entitled Risk Factors) relating to our industry, our operations and results of operations and any businesses that may be acquired by us. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Item 1. Business
Company Overview

The business of ChromaDex Corporation is conducted by our principal subsidiaries, ChromaDex, Inc. and Chromadex Analytics, Inc. ChromaDex Corporation and its subsidiaries (collectively referred to herein as ChromaDex or the Company or, in the first person as we us and our) supplies phytochemical reference standards and reference materials, related contract services, and products for the dietary supplement, nutraceutical, food and beverage, functional food, pharmaceutical and cosmetic markets. For the calendar years ended January 2, 2010 and January 3, 2009, ChromaDex had revenues of $5,777,865 and $4,506,301, respectively

ChromaDex is a leader in supplying phytochemical standards, reference materials and libraries. We believe these phytochemicals are the current gold standard for the quality control of natural products such as dietary supplements, cosmetics, food and beverages, and pharmaceuticals. In addition, we believe these standards are essential elements for future product development in all the above areas.

We believe there is a rapidly growing need both at the manufacturing and government regulatory level for reference standards, analytical methods and other quality assurance methods to ensure that the products distributed to consumers are safe and effective regardless of what is claimed on the label. This need is driven by the increased awareness at the consumer level of the lack of adequate quality controls as related to functional

Table of Contents

food, nutraceutical or dietary supplement based products. ChromaDex has taken advantage of both the supply chain needs and regulatory requirements to build its core standards business. The Company believes it is now in a position to significantly expand its current business and capitalize on additional opportunities in product development, contract research and the exploitation and commercialization of the intellectual property that it has acquired from the development of its standards.

Our core product catalog and contract service business effectively becomes a filter for screening thousands of potential natural product candidates. By using the market information gathered by the Company s business model, followed by an investment in research and development, new natural products-related IP can be brought to the market with a much lower investment cost and an increased chance of success.

Company Background

On May 21, 2008, Cody Resources, Inc., a Nevada corporation, (Cody) entered into an Agreement and Plan of Merger (the Merger Agreement), by and among Cody, CDI Acquisition, Inc., a California corporation and wholly-owned subsidiary of Cody (Acquisition Sub), and ChromaDex, Inc. (the Merger). Subsequent to the signing of the Merger Agreement, Cody merged with and into a Delaware corporation for the sole purpose of changing the domicile of Cody to the State of Delaware. Subsequent to the signing of the Merger Agreement, and to changing its domicile, Cody amended its articles of incorporation to change its name to ChromaDex Corporation.

Pursuant to the terms of the Merger Agreement, and upon satisfaction of specified conditions, including approval by ChromaDex, Inc. shareholders on June 18, 2008, Acquisition Sub merged with and into ChromaDex, Inc. and ChromaDex, Inc., as the surviving corporation, became a wholly-owned subsidiary of Cody.

Cody was incorporated on July 19, 2006 under the laws of the State of Nevada. At the time of the Merger, Cody had been an inactive shell corporation and Cody s actions as a going concern prior to the Merger are immaterial to the business of ChromaDex.

ChromaDex, Inc. was originally formed as a California corporation on February 19, 2000. On April 23, 2003, ChromaDex acquired the research and development group of natural product experienced chemists of Napro Biotherapeutics (currently Tapestry Pharmaceuticals) located in Boulder, Colorado, and placed such assets in a newly-formed, wholly-owned subsidiary of ChromaDex named Chromadex Analytics, Inc., a Nevada corporation.

Our Strategy

Our business strategy is to identify, acquire, reduce-to-practice, and commercialize innovative new natural products and green chemistry (environmentally safe) technologies, with an initial industry focus on the dietary supplement, cosmetic, food and beverage markets, as well as novel pharmaceuticals. We plan to utilize our experienced management team to commercialize these natural product technologies by advancing them through the proper regulatory approval processes, arranging for reliable and cost-effective manufacturing, and ultimately either selling or licensing the product lines to others. We are currently seeking to privately raise additional equity capital from investors in order to execute our business strategy.

Commercialization of intellectual property: Many current ChromaDex development products have the potential to spin off unique technologies that may themselves be independently capable of commercialization and become significant new revenue sources. We believe that intellectual property can also be developed from the Company s expansion into new markets.

Expansion and growth of the core business: ChromaDex intends to continue to expand its phytochemical standards offerings, the core of its business. Currently, the Company has 3,500 defined standards. The Company expects to add 500 to 1,000 new standards each year.

Table of Contents

Expansion of manufacturing capacity: ChromaDex plans to expand its facilities to satisfy the growing need for customer clinical studies, new product development and early stage manufacturing.

Expansion into new markets: ChromaDex is developing business in untapped domestic and international markets. These markets include both the domestic and international botanical drug market and the market for novel therapeutic botanicals and from Asia, South America and Africa. The Company also has new and innovative product offerings, such as screening compound libraries and unique value added raw materials.

Expansion through acquisitions: ChromaDex is a leader in the phytochemical standards market. We believe other smaller competitors are having difficulty expanding their revenue base and are prime candidates for acquisition. We believe this long-term roll-up strategy could eventually lead to ChromaDex positioning itself as provider of choice for phytochemical standards and libraries.

Overview of our Products and Services

ChromaDex is headquartered in Irvine, California, and its analytical and research laboratory facility, Chromadex Analytics, is located in Boulder, Colorado. Chromadex Analytics operates a modern, well-equipped facility with 13,000 square feet of laboratory and office space. While ChromaDex performs many of the contract services and research for our clients, Chromadex Analytics manufactures our products and provides all analytical services and laboratory division support for ChromaDex.

Since 2003, ChromaDex has invested in excess of $2 million in laboratory equipment and ChromaDex currently has personnel possessing over 150 years of combined pharmaceutical and natural products chemistry experience.

Current products and services provided are:

Supply of reference standards, materials & kits. ChromaDex, through its catalog, supplies a wide range of products necessary to conduct quality control of raw materials and consumer products. Reference standard and materials and the kits created from them are used for research and quality control in the dietary supplements, cosmetics, food and beverages, and pharmaceuticals industries.

Supply of fine chemicals and phytochemicals. As demand for new natural products and phytochemicals increases, ChromaDex can scale up and supply our core products in the gram to kilogram scale for companies who require these products for research and new product development.

Bulk Raw Food Grade Chemicals. ChromaDex offers value-added bulk raw materials for dietary supply and food additives. This is an area where ChromaDex believes it can secure and defend its market positions through patents and long term manufacturing agreements with both the Company s customers and vendors.

Bioluminex . Bioluminex is a bio-analytical method that identifies the presence of toxic or harmful compounds in water, dietary ingredients, food products and food ingredients. We developed this method pursuant to a worldwide exclusive license agreement with Bayer Ag. ChromaDex intends to explore sublicensing and developing additional applications for the method before conducting a formal market launch for Bioluminex within the next two years.

Contract services. ChromaDex, through Chromadex Analytics, provides a wide range of contract services ranging from routine contract analysis of dietary supplements, cosmetics, foods and other natural products to elaborate contract research for clients in these industries.

Consulting services. ChromaDex provides a comprehensive range of consulting services such as regulatory support, new ingredient or product development, risk management and litigation support services.

Table of Contents

Process development. Developing cost effective and efficient processes for manufacturing natural products can be very difficult and time consuming. ChromaDex can assist customers in creating processes for cost efficient manufacturing of natural products, using green chemistry .

Products and services in development:

Process scale manufacturing. ChromaDex intends to invest in a pilot plant facility that has the capability of manufacturing at a process scale for products that have gone to market.

Phytochemical libraries. ChromaDex will continue to invest in the development of natural product based libraries by continuing to create these libraries internally as well as through product licensing.

Plant extracts libraries. ChromaDex will continue to create an extensive library of plant extracts using its already extensive list of botanical reference materials.

Databases for cross-referencing phytochemicals. ChromaDex is working on building a database for cross referencing phytochemicals against an extensive list of plants, including links to references to ethnopharmacological, enthnobotanical, and biological activity, as well as clinical evidence.

Anthocyanin. ChromaDex is working to establish cost-effective methodologies for the efficient production of anthocyanins from genetically engineered bacteria. Anthocyanins are plant secondary metabolites that are mainly responsible for the colors in plant tissues, primarily reds, purples and blues. They are non-toxic and have been observed to possess antioxidant, anticancer and anti-inflammatory activities, thus making them attractive candidates in the pharmaceutical, dietary supplement and food colorants industries.

Simmondsin. Our intellectual property for jojoba extract (simmondsin) for weight loss is a likely source of future revenue from royalty payments.

Intellectual property. ChromaDex plans to utilize its expertise in natural products and green chemistry to license and develop new intellectual property which itself can be licensed to clients in our target industries.

In 2004, ChromaDex started receiving its first royalty payments for licensed intellectual property for the naturally-derived compound Sclareolide. Sclareolide, as developed by ChromaDex, is a novel diterpene isolated from Salvia sclarea (commonly known as clary sage), and was created through a partnership with Avoca.

Sales and Marketing Strategy

Our sales model for products and services is based on direct, inside technical sales. We hire technical sales staff with appropriate scientific background in chemistry, biology, biochemistry or other related scientific fields. Our sales staff currently operate from our headquarters in Irvine, California and perform their sales duties by using combinations of telemarketing and e-mail. Sales staff are required to perform both sales and customer service duties. We plan to add outside, field sales representatives in the future as needed. All sales staff are compensated based on a uniform basic pay model based on salary and commission.

USA and Canada:

We employ the use of an aggressive direct mail marketing strategy (catalogs, brochures and flyers) in combination with a range of the following marketing activities to promote and sell our products and services:

Tradeshows and conferences

Monthly news letters (via e-mail)

Internet

Table of Contents

- Website
- Advertising in trade publications
- Press releases

ChromaDex intends to continue to use an aggressive direct marketing approach to promote its products and services to all markets that the Company targets for direct sales.

International:

ChromaDex also uses international distributors to market and sell to several foreign countries or markets. The use of distributors in international markets has proven to be more effective than direct sales for some countries.

Currently, ChromaDex has exclusive distribution agreements in place for the following countries or regions:

- Europe (LGC Standards)
- South America (JMC)
- Korea (Dong Myung Scientific)
- India (LGC Promochem India Pvt. Ltd.)

ChromaDex also uses non-exclusive distributors for the following countries:

- Japan
- Australia and New Zealand
- China
- Indonesia, Malaysia, Singapore and Thailand
- Mexico

Non-exclusive distributors who show significant productivity are considered for becoming exclusive distributors.

Business Market

According to the Natural Marketing Institute, the Dietary Supplement, Functional Food and Beverage, and Natural Personal Care markets represent more than $250 billion in sales worldwide. The quality control and assurance of some of the products in these markets are, as

previously noted, largely under regulated, and represent the basis of one of ChromaDex s business strategies, which is to concentrate on overall content of products, active/marker components, uniformity of production, and toxicology, as is the case in the pharmaceutical industry. There is an increasing demand for new products, ingredients and ideas for natural products. The pressure for new, innovative products, which are natural or green based, cuts across all markets including food, beverage, cosmetic and pharmaceutical.

Table of Contents

While we believe that doctors and patients have become more receptive to the use of botanical/herbal-based and natural/dietary ingredients to prevent or treat illnesses and improve quality of life, the medical establishment has conditioned its acceptance on a significantly improved demonstration of efficacy, safety and quality control comparable to that imposed on pharmaceuticals. Nevertheless, little is currently known about the constituents, active compounds and safety of many botanical/herbal and natural ingredients, and few qualified chemists and technology based companies exist to supply the information and products necessary to meet the burgeoning market need. Natural products are complex mixtures of many compounds, with significant variability arising from growing and extraction conditions. The following developments are some that highlight the need for standards and quality assurance/control:

- The FDA published its draft guidance for Good Manufacturing Practices (GMPs) for dietary supplements on March 13, 2003. The final rule from this guidance was made effective June 2007, with a 36 month phase-in period for full compliance;
- The FDA published draft guidance for the approval of Botanical Drugs in June 2005;
- According to the Washington Post, the FDA and the FTC have recently fined six mass marketers of weight loss supplements a total of $30 million, because they could not adequately substantiate their respective weight loss claims; and
- Regulatory agencies around the world have started to review the need for the regulation of herbal and natural supplements and are considering regulations that will include testing for the presence of toxic or adulterating compounds, drug/compound interactions and evidence that the products are biologically active for their intended use.

Business Model

The Company s business model is built around supplying reference standards products and services to its primary markets. This provides capital and brand positioning to allow ChromaDex access to its markets in a trusted advisor capacity, through which the Company can develop botanical solutions with increased value to meet client needs.

ChromaDex creates value throughout the supply chain of pharmaceutical, dietary supplements, functional foods and personal care markets. It does this specifically by:

- Combining the analytical method and characterization of the material with the technical support for the sale of reference materials;
- Helping companies to comply with new government regulations which, in turn, helps the government to regulate these industries; and
- Providing value-added solutions to every layer of the supply chain in order to increase the overall quality of products being produced.

The Company will use the market information gathered through its core products and services business to create and license intellectual property.

Government Regulation

Some of our operations are subject to regulation by various U.S. federal agencies and similar state and international agencies, including the FDA, U.S. Federal Trade Commission, U.S. Department of Commerce, the U.S. Department of Transportation, the U.S. Department of Agriculture and other comparable state and international agencies. These regulators govern a wide variety of product activities, from design and development to labeling, manufacturing, handling, sales and distribution of products. From time to time, federal, state and international legislation is enacted which may have the effect of materially increasing the cost of doing business

Table of Contents

or limiting or expanding our permissible activities. We cannot predict whether or when potential legislation or regulations will be enacted, and if enacted, the effect that it, or any implemented regulations and supervisory policies, would have on our financial condition or results of operations. In addition, the outcome of any litigation or any investigations or enforcement actions initiated by state or federal authorities may result in necessary changes in our operations and increased compliance costs.

FDA Regulation

Our primary products and services are not directly subject to regulation by the FDA. However, companies can use our products and services such as our supply of phytochemical standards, reference materials and libraries, to help themselves comply with FDA regulatory requirements. For example, the FDA s final rule on Good Manufacturing Practices (GMPs) for dietary supplements was published in June 2007 and outlines a timeline of one to three years for companies to become fully compliant, depending on the size of the company. GMPs, in part, require companies to evaluate products for identity, strength, purity and composition. ChromaDex provides tools necessary for dietary supplement companies to comply with GMPs. ChromaDex also offers an extensive range of contract services and consulting to assist companies with their compliance needs.

Our strategy to commercialize innovative new, natural products may be subject to extensive FDA regulation. Depending on the type of product, whether a dietary supplement, cosmetic, food, or pharmaceutical, the FDA, under the Food, Drug and Cosmetic Act (FDCA), can regulate:

- product testing;
- product labeling;
- product manufacturing and storage;
- premarket clearance or approval;
- advertising and promotion; and
- product sales and distribution.

The FDCA has been amended several times with respect to dietary supplements, in particular by the Dietary Supplement Health and Education Act of 1994, known as DSHEA. DSHEA established a new framework for governing the composition and labeling of dietary supplements. Generally, under DSHEA, dietary ingredients that were marketed in the United States before October 15, 1994 may be used in dietary supplements without notifying the FDA. However, a new dietary ingredient (a dietary ingredient that was not marketed in the United States before October 15, 1994) is subject to a new dietary ingredient (NDI) notification that must be submitted to the FDA unless the ingredient has previously been present in the food supply as an article used for food without being chemically altered. A new dietary ingredient notification must provide the FDA evidence of a history of use or other evidence of safety establishing that use of the dietary ingredient will reasonably be expected to be safe. A new dietary ingredient notification must be submitted to the FDA at least 75 days before the initial marketing of the new dietary ingredient. There can be no assurance that the FDA will accept the evidence of safety for any new dietary ingredients that we may want to commercialize, and the FDA s refusal to accept such evidence could prevent the marketing of such dietary ingredients. The FDA is in the process of developing guidance for the industry to clarify the FDA s interpretation of the new dietary ingredient notification requirements, and this guidance may raise new and significant regulatory barriers for new dietary ingredients.

In order for any new ingredient developed by ChromaDex to be used in conventional food or beverage products in the United States (US), it would either have to be approved by the FDA as a food additive pursuant to a food additive petition (FAP), or be generally recognized as safe (GRAS). The FDA does not have to approve a company s determination that an ingredient is GRAS, however a company can notify the FDA of its determination. There can be no assurance that the FDA will approve any FAP for any ingredient that we may

9

Table of Contents

want to commercialize, or agree with our determination that an ingredient is GRAS, either of which could prevent the marketing of such ingredient.

We do not expect to bear the costs associated with NDI Notifications, FAPs, or GRAS filings with the FDA, as we will generally be licensing any technology to partner companies who have an interest in the product market segment before such filings would be necessary.

Advertising Regulation

In addition to FDA regulations, the Federal Trade Commission (FTC) regulates the advertising of dietary supplements, foods, cosmetics, and over-the-counter (OTC) drugs. In recent years, the FTC has instituted numerous enforcement actions against dietary supplement companies for failure to adequately substantiate claims made in advertising or for the use of false or misleading advertising claims. These enforcement actions have often resulted in consent decrees and the payment of civil penalties, restitution, or both, by the companies involved. We may be subject to regulation under various state and local laws that include provisions governing, among other things, the formulation, manufacturing, packaging, labeling, advertising and distribution of dietary supplements, foods, cosmetics and OTC drugs.

International

Our international sales of dietary ingredients are subject to foreign government regulations, which vary substantially from country to country. The time required to obtain approval by a foreign country may be longer or shorter than that required for FDA approval, and the requirements may differ. In addition, the export by us of certain of our products that have not yet been cleared or approved for domestic distribution may be subject to FDA export restrictions. We may be unable to obtain on a timely basis, if at all, any foreign government or United States export approvals necessary for the marketing of our products abroad.

Regulation in Europe is primarily through the European Union, which regulates for each of its countries. Other countries, such as Switzerland, have voluntarily adopted laws and regulations that mirror those of the European Union with respect to dietary ingredients.

Competitive Business Conditions

We face competition within the standardization and quality testing niche of the natural products market, though we believe that no one else offers both reference standards and testing to their customers. Below is a current list of certain competitors. These competitors already have reference standards or contract services developed or are currently taking steps to develop botanical standards or contract services. Of the competitors listed, some either currently sell fine chemicals, which by default are sometimes being used as reference standards, or are closely aligned with our market niche so as to reduce any barriers to entry if these companies wished to compete, and some currently offer similar services and have the scale and resources to compete with us for larger customer accounts. Some of our competitors are larger in total size and capitalization, have greater access to capital markets, and are in a better position than us to compete nationally and internationally.

Competitors

Sigma-Aldrich(SIAL) (USA)

Phytolab (Germany)

US Pharmacopoeia(USP) (USA)

Extrasynthese (France)

Covance(CVD) (USA)

Table of Contents

Eurofins(ERF) (France)

Silliker Canada Co. (Canada)

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts, Including Duration

ChromaDex currently protects its intellectual property through patents, trademarks, designs and copyrights on its products and services. The Company currently has existing patents for products such as Bioluminex, anythocyandian production, and Jojoba extract (simmondsin) that require additional capital for product development, commercialization and marketing.

One of ChromaDex s business strategies is to use the intellectual property harnessed in the supply of reference materials to the industry as the basis for providing new and alternative mass marketable products to its customers. The Company s strategy is to develop these products on its own as well as to license its intellectual property to companies who will commercialize it. The net result will be a long term flow of intellectual property milestone and royalty payments for the Company.

ChromaDex has created a mechanism for harnessing ideas and turning them into finished products. For example, ChromaDex spent between one and two years researching the viability of its Jojoba concept, but lacked the ability to finalize the development and necessary patent protection. After much scrutiny, ChromaDex selected Avoca, a subsidiary of RJ Reynolds Tobacco, as the appropriate partner for completion of this project. Avoca finalized the manufacturing process for the Jojoba extract and the Company and Avoca jointly filed a patent to protect the intellectual property created by this joint venture.

The following table sets forth ChromaDex s existing patents and those to which we have licensed rights.

Patent Number	Title	Filing Date	Issued Date	Expires	Licensor
US 6,238,928	Analytical process for testing mixtures for toxic constituents	09/02/93	05/21/01	05/25/18	Licensed from Bayer Aktiengesell-schaft
6,673,563	Luminous bacteria and methods for the isolation, identification and quantification of toxicants	9/18/2001	1/6/2004	01/09/21	Licensed from L & J Becvar, LP(1)
6,340,572	Kit for the isolation, identification and quantification of toxicants	9/3/1999	1/22/2002	01/26/19	Licensed from L & J Becvar, LP(1)
6,017,722	Luminous bacteria and methods for the isolation, identification and quantification of toxicants	4/4/1991	1/25/2000	01/28/17	Licensed from L & J Becvar, LP(1)
6,852,342	Compounds for altering food intake in humans	3/26/2002	2/8/2005	02/12/22	Co-owned by Avoca, Inc. and ChromaDex
7,338,791	Production of Flavanoids by Recombinant Microorganisms	7/11/2005	3/4/2008	7/11/25	Licensed from The Research Foundation of State University of New York

(1) Improvements to information or discoveries covered by these patents are licensed from the Board of Regents of the University of Texas System until the full end of the term for which patent rights expire subject to the terms of the Patent License

Table of Contents

Manufacturing

Chromadex Analytics operates laboratory operations and a manufacturing facility. We currently maintain our own manufacturing equipment and have the ability to manufacture our products in limited quantities, ranging from milligrams to kilograms. For more information about Chromadex Analytics, see Information about ChromaDex Products and Services under Item 1 of this Annual Report on Form 10-K. We intend to contract for the manufacturing of the products that are developed and enter into strategic relationships or license agreements for sales and marketing of products that we develop when quantities required exceed our capacity at our Boulder facility.

We intend to hire manufacturing companies that can meet the standards imposed by the FDA, the International Organization for Standardization (ISO), and the quality standards we will require through our own internal policies and procedures. We expect to monitor and manage supplier performance through a corrective action program. We believe these manufacturing relationships can minimize our capital investment, help control costs, and allow us to compete with larger volume manufacturers of phytochemicals and ingredients.

Following the receipt of products or product components from our third-party manufacturers, we currently contemplate inspecting, packaging and labeling, as needed, at our Irvine facility. We expect to reserve the right to inspect and ensure conformance of each product and product component to our specifications. We will also consider manufacturing certain products or product components internally, if we have the capacity when demand or quality requirements make it appropriate to do so.

Sources and Availability of Raw Materials and The Names of Principal Suppliers

We believe we have identified reliable sources and suppliers of chemicals, phytochemicals and reference materials, which we believe will provide products in compliance with ChromaDex guidelines.

Research and Development

Our research and development efforts are currently focused on developing products and services within our core product and service offerings. Our own laboratory group has extensive experience in developing products related to our field of interest and works closely with our sales and marketing group to design products and services that are intended to increase revenue. To support development, we also have a number of contracts with outside labs who aid us in our research and development process.

Environmental Compliance

We will incur significant expense in complying with good manufacturing practices and safe handling and disposal of materials used in our research and manufacturing activities. We do not anticipate incurring material additional expense in order to comply with Federal, state and local environmental laws and regulations.

Facilities

For information on our facilities, see Properties in this Item 2 of this Annual Report on Form 10-K.

Employees

As of January 2, 2010, ChromaDex (including Chromadex Analytics) had 50 employees, of whom 40 were full-time and 10 were part-time employees. We consider our relationships with our employees to be satisfactory. None of our employees are covered by a collective bargaining agreement.

Table of Contents

Item 1A. Risk Factors

Investing in our common stock involves a high degree of risk. Owners and potential investors should consider carefully the risks and uncertainties described below together with all other information contained in this Annual Report on Form 10-K before making investment decisions with respect to our common stock. If any of the following risks actually occur, our business, financial condition, results of operations and our future growth prospects would be materially and adversely affected. Under these circumstances, the trading price and value of our common stock could decline resulting in a loss of all or part of your investment. The risks and uncertainties described in this Annual Report on Form 10-K are not the only ones facing our Company. Additional risks and uncertainties of which we are not presently aware, or that we currently consider immaterial, may also affect our business operations.

Risks Related to Our Business and Industry

The global economic recession and financial market conditions could adversely affect our ability to conduct business.

Current global economic and financial markets conditions, including severe disruptions in the credit markets and the significant and potentially prolonged global economic recession, may materially and adversely affect our results of operations and financial condition. These conditions may materially impact our customers and other parties with whom we do business. Specifically, the impact of these volatile and negative conditions may include: decreased demand for our products and services; our decreased ability to accurately forecast future product trends and demand; and a negative impact on our ability to timely collect receivables from our customers. The foregoing economic conditions may lead to increased levels of bankruptcies, restructurings and liquidations for our customers, scaling back of research and development expenditures and delays in planned projects and shifts in business strategies for many of our customers. Such events could, in turn, negatively affect our business through loss of sales.

Our short term future capital needs are uncertain and we may need to raise additional funds and based on the current market conditions such funds may not be available on acceptable terms or at all.

We believe that our current cash and cash equivalents will be sufficient to implement our operating plan through June, 2011. Our capital requirements will depend on many factors, including:

- the revenues generated by sales of our products, if any;
- the costs associated with expanding our sales and marketing efforts, including efforts to hire independent agents and sales representatives and obtain required regulatory approvals and clearances;
- the expenses we incur in developing and commercializing our products, including the cost of obtaining and maintaining regulatory approvals; and
- unanticipated general and administrative expenses.

As a result of these factors, we are currently seeking to privately raise additional equity capital from investors and we may seek to raise additional funds in the short term, through public or private stock offerings, borrowings and lines of credit or other sources and such funds may not be available on favorable terms, or at all. There can be no assurance we will be successful in raising these additional funds. Furthermore, if we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution and the new equity or debt securities we issue may have rights, preferences and privileges senior to those of our existing stockholders. In addition, if we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products or proprietary technologies, or grant licenses on terms that are not favorable to us. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, obtain the required regulatory clearances or approvals, execute our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our development and commercialization goals, which could have a material and adverse effect on our business, results of operations and financial condition.

13

Table of Contents

We have a history of operating losses and we will need additional financing to meet our future long term capital requirements.

We will require significant additional funds, either through additional equity or debt financings or collaborative agreements or from other sources to engage in research and development activities with respect to our potential new product candidates and to establish the personnel necessary to successfully implement our business strategy. We have no commitments to obtain such financing, and we may not be able to obtain any such financing on terms favorable to us, or at all. In the event we are unable to obtain additional financing, we may be unable to implement our business plan. Even with such financing, we have a history of operating losses and there can be no assurance that we will ever become profitable.

Our ability to protect our intellectual property and proprietary technology through patents and other means is uncertain and may be inadequate, which would have a material and adverse effect on us.

Our success depends significantly on our ability to protect our proprietary rights to the technologies used in our products. We rely on patent protection, as well as a combination of copyright, trade secret and trademark laws and nondisclosure, confidentiality and other contractual restrictions to protect our proprietary technology, including our licensed technology. However, these legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. For example, our pending United States and foreign patent applications may not issue as patents in a form that will be advantageous to us or may issue and be subsequently successfully challenged by others and invalidated. In addition, our pending patent applications include claims to material aspects of our products and procedures that are not currently protected by issued patents. Both the patent application process and the process of managing patent disputes can be time consuming and expensive. Competitors may be able to design around our patents or develop products which provide outcomes which are comparable or even superior to ours. Although we have taken steps to protect our intellectual property and proprietary technology, including entering into confidentiality agreements and intellectual property assignment agreements with some of our officers, employees, consultants and advisors, such agreements may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements. Furthermore, the laws of foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States.

In the event a competitor infringes upon our licensed or pending patent or other intellectual property rights, enforcing those rights may be costly, uncertain, difficult and time consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time consuming and could divert our management s attention. We may not have sufficient resources to enforce our intellectual property rights or to defend our patents rights against a challenge. The failure to obtain patents and/or protect our intellectual property rights could have a material and adverse effect on our business, results of operations, and financial condition.

We may become subject to claims of infringement or misappropriation of the intellectual property rights of others, which could prohibit us from developing our products, require us to obtain licenses from third parties or to develop non-infringing alternatives, and subject us to substantial monetary damages.

Third parties could, in the future, assert infringement or misappropriation claims against us with respect to products we develop. Whether a product infringes a patent or misappropriates other intellectual property involves complex legal and factual issues, the determination of which is often uncertain. Therefore, we cannot be certain that we have not infringed the intellectual property rights of others. Our potential competitors may assert that some aspect of our product infringes their patents. Because patent applications may take years to issue, there also may be applications now pending of which we are unaware that may later result in issued patents upon which our products could infringe. There also may be existing patents or pending patent applications of which we are unaware upon which our products may inadvertently infringe.

Table of Contents

Any infringement or misappropriation claim could cause us to incur significant costs, place significant strain on our financial resources, divert management s attention from our business and harm our reputation. If the relevant patents in such claim were upheld as valid and enforceable and we were found to infringe, we could be prohibited from selling any product that is found to infringe unless we could obtain licenses to use the technology covered by the patent or are able to design around the patent. We may be unable to obtain such a license on terms acceptable to us, if at all, and we may not be able to redesign our products to avoid infringement. A court could also order us to pay compensatory damages for such infringement, plus prejudgment interest and could, in addition, treble the compensatory damages and award attorney fees. These damages could be substantial and could harm our reputation, business, financial condition and operating results. A court also could enter orders that temporarily, preliminarily or permanently enjoin us and our customers from making, using, or selling products, and could enter an order mandating that we undertake certain remedial activities. Depending on the nature of the relief ordered by the court, we could become liable for additional damages to third parties.

Our patents and licenses may be subject to challenge on validity grounds, and our patent applications may be rejected.

We rely on our patents, patent applications, licenses and other intellectual property rights to give us a competitive advantage. Whether a patent is valid, or whether a patent application should be granted, is a complex matter of science and law, and therefore we cannot be certain that, if challenged, our patents, patent applications and/or other intellectual property rights would be upheld. If one or more of those patents, patent applications, licenses and other intellectual property rights are invalidated, rejected or found unenforceable, that could reduce or eliminate any competitive advantage we might otherwise have had.

The prosecution and enforcement of patents licensed to us by third parties are not within our control, and without these technologies, our product may not be successful and our business would be harmed if the patents were infringed or misappropriated without action by such third parties.

We have obtained licenses from third parties for patents and patent application rights related to the products we are developing, allowing us to use intellectual property rights owned by or licensed to these third parties. We do not control the maintenance, prosecution, enforcement or strategy for many of these patents or patent application rights and as such are dependent in part on the owners of the intellectual property rights to maintain their viability. Without access to these technologies or suitable design-around or alternative technology options, our ability to conduct our business could be impaired significantly.

We may be subject to damages resulting from claims that we, our employees, or our independent contractors have wrongfully used or disclosed alleged trade secrets of others.

Some of our employees were previously employed at other dietary supplement, nutraceutical, food and beverage, functional food, analytical laboratories, pharmaceutical and cosmetic companies. We may also hire additional employees who are currently employed at other dietary supplement, nutraceutical, food and beverage, functional food, analytical laboratories, pharmaceutical and cosmetic companies, including our competitors. Additionally, consultants or other independent agents with which we may contract may be or have been in a contractual arrangement with one or more of our competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or independent contractors have used or disclosed any party s trade secrets or other proprietary information. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If we fail to defend such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to market existing or new products, which could severely harm our business.

Table of Contents

Litigation may harm our business.

Substantial, complex or extended litigation could cause us to incur significant costs and distract our management. For example, lawsuits by employees, stockholders, collaborators, distributors, customers, or competitors or others could be very costly and substantially disrupt our business. Disputes from time to time with such companies, organizations or individuals are not uncommon, and we cannot assure you that we will always be able to resolve such disputes or on terms favorable to us. Unexpected results could cause us to have financial exposure in these matters in excess of recorded reserves and insurance coverage, requiring us to provide additional reserves to address these liabilities, therefore impacting profits.

We face significant competition, including changes in pricing.

The markets for our products and services are both competitive and price sensitive. Many of our competitors have significant financial, operations, sales and marketing resources and experience in research and development. Competitors could develop new technologies that compete with our products and services or even render our products obsolete. If a competitor develops superior technology or cost-effective alternatives to our products and services, our business could be seriously harmed.

The markets for some of our products are also subject to specific competitive risks because these markets are highly price competitive. Our competitors have competed in the past by lowering prices on certain products. If they do so again, we may be forced to respond by lowering our prices. This would reduce sales and possibly profits. Failure to anticipate and respond to price competition may also impact sales and profits.

We believe that customers in our markets display a significant amount of loyalty to their supplier of a particular product. To the extent we are not the first to develop, offer and/or supply new products, customers may buy from our competitors or make materials themselves, causing our competitive position to suffer.

Many of our competitors are larger and have greater financial and other resources than we do.

Our products compete and will compete with other similar products produced by our competitors. These competitive products could be marketed by well-established, successful companies that possess greater financial, marketing, distribution, personnel and other resources than we possess. Using these resources, these companies can implement extensive advertising and promotional campaigns, both generally and in response to specific marketing efforts by competitors, and enter into new markets rapidly to introduce new products. In certain instances, competitors with greater financial resources also may be able to enter a market in direct competition with us, offering attractive marketing tools to encourage the sale of products that compete with our products or present cost features which consumers may find attractive.

We depend on key personnel.

We depend greatly on Frank L. Jaksch, Jr. and Thomas C. Varvaro, who are our Chief Executive Officer and Chief Financial Officer, respectively. We also depend greatly on other key employees, including key scientific personnel. In general, only highly qualified and trained scientists have the necessary skills to develop and market our products and provide our services. In addition, some of our manufacturing, quality control, safety and compliance, information technology, sales, and e-commerce related positions are highly technical as well. Also, we face intense competition for these professionals from our competitors, customers, marketing partners and other companies throughout the industries in which we compete. Our success will depend, in part, upon our ability to attract and retain additional skilled personnel, which will require substantial additional funds. There can be no assurance that we will be able to find and attract additional qualified employees or retain any such personnel. Our inability to hire qualified personnel, the loss of services of our key personnel, or the loss of services of executive officers or key employees that that may be hired in the future may have a material and adverse effect on our business.

Table of Contents

Partnering for technological capabilities and new products and services.

Our ability to remain competitive may depend, in part, on our ability to continue to seek partners that can offer technological improvements and improve existing products and services that are offered to our customers. We are committed to attempting to keep pace with technological change, to stay abreast of technology changes, and to look for partners that will develop new products and services for our customer base. We cannot assure prospective investors that we will be successful in finding partners or be able to continue to incorporate new developments in technology, to improve existing products and services, or to develop successful new products and services, nor can the Company be certain that its newly-developed products and services will perform satisfactorily or be widely accepted in the marketplace or that the costs involved in these efforts will not be substantial.

Our operating results may fluctuate significantly as a result of a variety of factors, many of which are outside of our control.

We are subject to the following factors, among others, that may negatively affect our operating results:

- the announcement or introduction of new products by our competitors;
- our ability to upgrade and develop our systems and infrastructure to accommodate growth;
- our ability to attract and retain key personnel in a timely and cost effective manner;
- technical difficulties;
- the amount and timing of operating costs and capital expenditures relating to the expansion of our business, operations and infrastructure;
- regulation by federal, state or local governments; and
- general economic conditions as well as economic conditions specific to the healthcare industry.

As a result of our limited operating history and the nature of the markets in which we compete, it is extremely difficult for us to forecast accurately. We have based our current and future expense levels largely on our investment plans and estimates of future events although certain of our expense levels are, to a large extent, fixed. Assuming our products reach the market, we may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Accordingly, any significant shortfall in revenues relative to our planned expenditures would have an immediate adverse effect on our business, results of operations and financial condition. Further, as a strategic response to changes in the competitive environment, the Company may from time to time make certain pricing, service or marketing decisions that could have a material and adverse effect on our business, results of operations and financial condition. Due to the foregoing factors, our revenues and operating results are and will remain difficult to forecast.

We may never develop any additional products to commercialize.

We have invested a substantial amount of our time and resources in developing various new products. Commercialization of these products will require additional development, clinical evaluation, regulatory approval, significant marketing efforts and substantial additional investment before it can provide us with any revenue. Despite our efforts, these products may not become commercially successful products for a number of reasons, including:

we may not be able to obtain regulatory approvals for our products, or the approved indication may be narrower than we seek;

our products may not prove to be safe and effective in clinical trials;

we may experience delays in our development program;

any products that are approved may not be accepted in the marketplace;

Table of Contents

- we may not have adequate financial or other resources to complete the development or to commence the commercialization of our products and will not have adequate financial or other resources to achieve significant commercialization of our products;

- we may not be able to manufacture any of our products in commercial quantities or at an acceptable cost;

- rapid technological change may make our products obsolete;

- we may be unable to effectively protect our intellectual property rights or we may become subject to a claim that our activities have infringed the intellectual property rights of others; and

- we may be unable to obtain or defend patent rights for our products.

We face the risk of product liability claims or recalls and may not be able to obtain or maintain adequate product liability insurance.

Our business exposes us to the risk of product liability claims that are inherent in the testing, manufacturing and marketing of phytochemical products. We may be subject to such claims if our products cause, or appear to have caused, an injury. Defending a lawsuit, regardless of merit, could be costly, divert management attention and result in adverse publicity, which could result in the withdrawal of, or reduced acceptance of, our product in the market.

Although we have product liability insurance that we believe is adequate, this insurance is subject to deductibles and coverage limitations and we may not be able to maintain this insurance. If we are unable to maintain product liability insurance at an acceptable cost or on acceptable terms with adequate coverage or otherwise protect ourselves against potential product liability claims, we could be exposed to significant liabilities, which may harm our business. A product liability claim or other claim with respect to uninsured liabilities or for amounts in excess of insured liabilities could result in significant costs and significant harm to our business.

If we are unable to establish or maintain sales, marketing and distribution capabilities or enter into and maintain arrangements with third parties to sell, market and distribute our products, our business may be harmed.

To achieve commercial success for our products, we must sell rights to our product lines at favorable prices, develop a sales and marketing force, or enter into arrangements with others to market and sell our products. In addition to being expensive, developing and maintaining such a sales force is time consuming, and could delay or limit the success of any product launch. We may not be able to develop this capacity on a timely basis or at all. Qualified direct sales personnel with experience in the phytochemical industry are in high demand, and there is no assurance that we will be able to hire or retain an effective direct sales team. Similarly, qualified independent sales representatives both within and outside the United States are in high demand, and we may not be able to build an effective network for the distribution of our product through such representatives. We have no assurance that we will be able to enter into contracts with representatives on terms acceptable to us. Furthermore, there is no assurance that we will be able to build an alternate distribution framework should we attempt to do so.

We may also need to contract with third parties in order to market our products. To the extent that we enter into arrangements with third parties to perform marketing and distribution services, our product revenue could be lower and our costs higher than if we directly marketed our products. Furthermore, to the extent that we enter into co-promotion or other marketing and sales arrangements with other companies, any revenue received will depend on the skills and efforts of others, and we do not know whether these efforts will be successful. If we are unable to establish and maintain adequate sales, marketing and distribution capabilities, independently or with others, we will not be able to generate product revenue, and may not become profitable.

Table of Contents

We rely on a limited number of third-party suppliers for the raw materials required for the production of our products. Furthermore, in some cases we rely on a single supplier.

Our dependence on a limited number of third-party suppliers or on a single supplier, and the challenges we may face in obtaining adequate supplies of raw materials, involve several risks, including limited control over pricing, availability, quality, and delivery schedules. We cannot be certain that our current suppliers will continue to provide us with the quantities of these raw materials that we require or satisfy our anticipated specifications and quality requirements. Any supply interruption in limited or sole sourced raw materials could materially harm our ability to manufacture our products until a new source of supply, if any, could be identified and qualified. Although we believe there are other suppliers of these raw materials, we may be unable to find a sufficient alternative supply channel in a reasonable time or on commercially reasonable terms. Any performance failure on the part of our suppliers could delay the development and commercialization of our products, or interrupt production of then existing products that are already marketed, which would have a material adverse effect on our business.

We rely on a limited number of third-party manufacturers to manufacture our products.

Manufacturers often experience difficulties in scaling-up production, including problems with production yields and quality control and assurance. If our third-party manufacturers are unable to manufacture our products to keep up with demand, we will not meet expectations for growth of our business. In addition, a number of manufacturers may halt manufacturing or go out of business in the current economic turmoil which could further limit our ability to manufacture our products and grow.

Our sales and results of operations depend on our customers research and development efforts and their ability to obtain funding for these efforts.

Our customers include researchers at pharmaceutical and biotechnology companies, chemical and related companies, academic institutions, government laboratories and private foundations. Fluctuations in the research and development budgets of these researchers and their organizations could have a significant effect on the demand for our products. Our customers determine their research and development budgets based on several factors, including the need to develop new products, the availability of governmental and other funding, competition and the general availability of resources. As we continue to expand our international operations, we expect research and development spending levels in markets outside of the U.S. will become increasingly important to us.

Research and development budgets fluctuate due to changes in available resources, spending priorities, general economic conditions, institutional and governmental budgetary limitations and mergers of pharmaceutical and biotechnology companies. Our business could be seriously harmed by any significant decrease in life science and high technology research and development expenditures by our customers. In particular, a small portion of our sales have been to researchers whose funding is dependent on grants from government agencies such as the U.S. National Institute of Health, the National Science Foundation, the National Cancer Institute and similar agencies or organizations. Government funding of research and development is subject to the political process, which is often unpredictable. Other programs, such as Homeland Security or defense, or general efforts to reduce the U.S. federal budget deficit could be viewed by the government as a higher priority. Any shift away from funding of life science and high technology research and development or delays surrounding the approval of governmental budget proposals may cause our customers to delay or forego purchases of our products and services, which could seriously damage our business.

Some of our customers receive funds from approved grants at a particular time of year, many times set by government budget cycles. In the past, such grants have been frozen for extended periods or have otherwise become unavailable to various institutions without advance notice. The timing of the receipt of grant funds may affect the timing of purchase decisions by our customers and, as a result, cause fluctuations in our sales and operating results.

Table of Contents

Demand for our products and services are subject to the commercial success of our customers products, which may vary for reasons outside our control.

Even if we are successful in securing utilization of our products in a customer s manufacturing process, sales of many of our products and services remain dependent on the timing and volume of the customer s production, over which we have no control. The demand for our products depends on regulatory approvals and frequently depends on the commercial success of the customer s supported product. Regulatory processes are complex, lengthy, expensive, and can often take years to complete.

We may bear financial risk if we under-price our contracts or overrun cost estimates.

In cases where our contracts are structured as fixed price or fee-for-service with a cap, we bear the financial risk if we initially under-price our contracts or otherwise overrun our cost estimates. Such under-pricing or significant cost overruns could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

We will need to increase the size of our organization, and we may be unable to manage rapid growth effectively.

Our failure to manage growth effectively could have a material and adverse effect on our business, results of operations and financial condition. We anticipate that a period of significant expansion will be required to address possible acquisitions of business, products, or rights, and potential internal growth to handle licensing and research activities. This expansion will place a significant strain on management, operational and financial resources. To manage the expected growth of our operations and personnel, we must both improve our existing operational and financial systems, procedures and controls and implement new systems, procedures and controls. We must also expand our finance, administrative, and operations staff. Our current personnel, systems, procedures and controls may not adequately support future operations. Management may be unable to hire, train, retain, motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

Acquisitions.

We plan to acquire other entities in the future and these acquisitions may be material to our business, plans and projections. We may be unable to consummate these acquisitions on favorable terms or at all. Even if we consummate one or more of these acquisitions, the integration of large numbers of new employees, technology and businesses will subject us to numerous risks.

If we fail to maintain adequate quality standards for our products and services, our business may be adversely affected and our reputation harmed.

Dietary supplement, nutraceutical, food and beverage, functional food, analytical laboratories, pharmaceutical and cosmetic customers are often subject to rigorous quality standards to obtain and maintain regulatory approval of their products and the manufacturing processes that generate them. A failure to maintain, or, in some instances, upgrade our quality standards to meet our customers needs, could cause damage to our reputation and potentially substantial sales losses.

We heavily rely on third party air cargo carriers and other package delivery services, and a significant disruption in these services or significant increases in prices may disrupt our ability to ship products or import materials, increase our costs and lower our profitability and harm our reputation.

We emphasize our prompt service and shipment of products as a key element of our sales and marketing strategy. We ship a significant number of products to our customers through independent package delivery

Table of Contents

companies. In addition, we transport materials between our facilities and import raw materials from worldwide sources. Consequently, we heavily rely on air cargo carriers and other third party package delivery providers. If any of our key third party providers were to experience a significant disruption such that any of our products, components or raw materials could not be delivered in a timely fashion or we would incur additional costs that we could not pass on to our customers, our costs may increase and our relationships with certain customers may be adversely affected. In addition, if these third party providers increase prices, and we are not able to find comparable alternatives or make adjustments to our selling prices, our profitability could be adversely affected.

If we experience a significant disruption in our information technology systems or if we fail to implement new systems and software successfully, our business could be adversely affected.

We depend on information systems throughout our Company to control our manufacturing processes, process orders, manage inventory, process and bill shipments to and collect cash from our customers, respond to customer inquiries, contribute to our overall internal control processes, maintain records of our property, plant and equipment, and record and pay amounts due vendors and other creditors. If we were to experience a prolonged disruption in our information systems that involve interactions with customers and suppliers, it could result in the loss of sales and customers and/or increased costs, which could adversely affect our business.

Risks Related to Regulatory Approval of Our Products and Other Government Regulations

We are subject to regulation by various federal, state and foreign agencies that require us to comply with a wide variety of regulations, including those regarding the manufacture of products, the distribution of our products and environmental matters.

Some of our operations are subject to regulation by various U.S. federal agencies and similar state and international agencies, including the U.S. Department of Commerce, the FDA, the U.S. Department of Transportation, the U.S. Department of Agriculture and other comparable state and international agencies. These regulations govern a wide variety of product activities, from design and development to labeling, manufacturing, handling, sales and distribution of products. If we fail to comply with any or all of these regulations, we may be subject to fines or penalties, have to recall products and/or cease their manufacture and distribution, which would increase our costs and reduce our sales.

We are subject to regulations that govern the handling of hazardous substances.

We are subject to various federal, states, local and international laws and regulations that govern the handling, transportation, manufacture, use and sale of substances that are or could be classified as toxic or hazardous substances. Some risk of environmental damage is inherent in our operations and the products we manufacture, sell, or distribute. Any failure by us to comply with the applicable government regulations could also result in product recalls or impositions of fines and restrictions on our ability to carry on with or expand in a portion or possibly all of our operations. If we fail to comply with any or all of these regulations, we may be subject to fines or penalties, have to recall products and/or cease their manufacture and distribution, which would increase our costs and reduce our sales.

Government regulations of our customer s business are extensive and are constantly changing.

The process by which our customer s industries are regulated is controlled by government agencies and depending on the market segment can be very expensive, time-consuming, and uncertain. Changes in regulations or the enforcement practices of current regulations could have negative impact on our customers and, in turn, our business. At this time, it is unknown how the FDA will interpret and to what extent it will enforce new Good Manufacturing Practices regulations that will likely affect many of our customers. These uncertainties may have a material impact on our results of operations, as lack of enforcement or an interpretation of the regulations that lessens the burden of compliance for the dietary supplement marketplace may cause a reduced demand for ChromaDex s products and services.

Table of Contents

Changes in government regulation or in practices relating to the pharmaceutical, dietary supplement, food and cosmetic industry could decrease the need for the services we provide.

Governmental agencies throughout the world, including in the United States, strictly regulate these industries. Our business involves helping pharmaceutical and biotechnology companies navigate the regulatory drug approval process. Changes in regulation, such as a relaxation in regulatory requirements or the introduction of simplified drug approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Also, if the government makes efforts to contain drug costs and pharmaceutical and biotechnology company profits from new drugs, our customers may spend less, or reduce their spending on research and development. If health insurers were to change their practices with respect to reimbursements for pharmaceutical products, our customers may spend less, or reduce their spending on research and development.

Risks Related to the Securities Markets and Ownership of our Common Stock

The concentrated common stock ownership by certain of our executive officers and directors will limit your ability to influence corporate matters.

The directors and executive officers of ChromaDex together beneficially own approximately 34% of ChromaDex outstanding capital stock as of January 2, 2010. This group has significant influence over our management and affairs and overall matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or sale of our company or our assets, for the foreseeable future. This concentrated control will limit the ability of other stockholders to influence corporate matters and, as a result, ChromaDex may take actions that some of its stockholders do not view as beneficial. In addition, such concentrated control could discourage others from initiating changes of control. As a result, the market price of ChromaDex shares could be adversely affected.

Since our common stock is only minimally publicly traded, and will likely remain so for some time, the price may be subject to wide fluctuations.

During the period June 20, 2008 to January 2, 2010, there was a minimal public market for our common stock. The market price of our common stock is likely to be highly volatile and subject to wide fluctuations in response to the following factors, which are generally beyond the control of ChromaDex. These factors may include:

- the ability to develop and obtain regulatory approvals for and market products on a timely basis;
- volume, price and timing of orders for products, if ChromaDex is able to sell them;
- the introduction of new products or products enhancements by competitors;
- disputes or other developments with respect to intellectual property rights;
- products liability claims or other litigation;
- quarterly variations in ChromaDex s results of operations and those of competitors;
- sales of large blocks of our common stock, including sales by its executive officers and directors;

changes in governmental regulations or in the status of regulatory approvals, clearances or applications;

changes in the availability of third party reimbursement in the United States or other countries;

changes in earnings estimates or recommendations by securities analysts; and

general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of competitors

Table of Contents

ChromaDex cannot predict the extent to which an active public market for its common stock will develop or be sustained at any time in the future. If ChromaDex is unable to develop or sustain a market for its common stock, investors may be unable to sell the Common Stock they own, and may lose the entire value of their investment.

Our common stock is and likely will remain subject to the SEC s Penny Stock rules, which may make its shares more difficult to sell.

Because the price of our common stock is currently and is likely to remain less than $5.00 per share, it is expected to be classified as a penny stock. The SEC rules regarding penny stocks may have the effect of reducing trading activity in ChromaDex shares, making it more difficult for investors to sell. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

- make a special written suitability determination for the purchaser;
- receive the purchaser s written agreement to a transaction prior to sale;
- provide the purchaser with risk disclosure documents which identify certain risks associated with investing in penny stocks and which describe the market for these penny stocks as well as a purchaser s legal remedies;
- obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has received the required risk disclosure document before a transaction in a penny stock can be completed; and
- give bid and offer quotations and broker and salesperson compensation information to the customer orally or in writing before or with the confirmation.

These rules make it more difficult for broker-dealers to effectuate customer transactions and trading activity in our securities and may result in a lower trading volume of our common stock and lower trading prices.

Securities analysts may elect not to report on our common stock or may issue negative reports that adversely affect the stock price.

At this time, no securities analysts provide research coverage of our common stock, and securities analysts may not elect not to provide such coverage in the future. It may remain difficult for a company such as ChromaDex, with a small market capitalization, to attract independent financial analysts that will cover our common stock. If securities analysts do not cover our common stock, the lack of research coverage may adversely affect its actual and potential market price. The trading market for our common stock may be affected in part by the research and reports that industry or financial analysts publish about our business. If one or more analysts elect to cover ChromaDex and then downgrade the stock, the stock price would likely decline rapidly. If one or more of these analysts cease coverage of ChromaDex, ChromaDex could lose visibility in the market, which in turn could cause its stock price to decline. This could have a negative effect on the market price of ChromaDex stock.

ChromaDex has incurred significant costs related to reporting, legal, accounting and compliance as a public reporting entity, and expects to continue to incur significant future costs as a public reporting entity.

As a public company, ChromaDex s management requires outside assistance from legal, accounting, investor relations, or other professionals that incur significant costs. In addition, ChromaDex may be required to incur additional costs to comply with additional SEC reporting requirements and compliance under the Sarbanes-Oxley Act of 2002. For example, Section 404 of the Sarbanes-Oxley Act of 2002 requires management to report on internal controls, and for the year ending January 1, 2011, our independent registered public accounting firm may be required to attest to the effectiveness of its internal control over financial reporting. For the fiscal periods ending on January 2, 2010 and January 3, 2009, ChromaDex has maintained an ongoing program to perform the

23

Table of Contents

system and process evaluation and testing necessary to comply with these requirements. Maintaining this program requires ChromaDex to incur significant expenses and to devote resources to Section 404 compliance on an ongoing basis. ChromaDex s failure to comply with reporting requirements and other provisions of securities laws could negatively affect its stock price and adversely affect its results of operations, cash flow and financial condition.

In addition, these rules could make it more difficult or more costly to obtain certain types of insurance, including directors and officers liability insurance and ChromaDex may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult to attract and retain qualified persons to serve on the Board of Directors, on Board committees or as executive officers.

Operating as a small public company also requires ChromaDex to make forward-looking statements about future operating results and to provide some guidance to the public markets. The management has limited experience as a management team in a public company and as a result projections may not be made timely or set at expected performance levels and could materially affect the price of ChromaDex shares. Any failure to meet published forward-looking statements that adversely affect the stock price could result in losses to investors, stockholder lawsuits or other litigation, sanctions or restrictions issued by the SEC or the stock market upon which ChromaDex stock is traded.

ChromaDex does not intend to pay cash dividends.

ChromaDex has never declared or paid cash dividends on its capital stock. It currently expects to use available funds and any future earnings in the development, operation and expansion of its business and does not anticipate paying any cash dividends in the foreseeable future. In addition, the terms of any future debt or credit facility ChromaDex may obtain may preclude it from paying any dividends. As a result, capital appreciation, if any, of our common stock will be an investor s only source of potential gain from our common stock for the foreseeable future.

Stockholders may experience significant dilution if future equity offerings are used to fund operations or acquire complementary businesses.

If future operations or acquisitions are financed through the issuance of equity securities, stockholders could experience significant dilution. We are negotiating with private parties for the investment of additional capital. If we are successful, our stockholders will incur dilution to the extent of the investment. In addition, securities issued in connection with future financing activities or potential acquisitions may have rights and preferences senior to the rights and preferences of our common stock. The issuance of shares of our common stock upon the exercise of options may result in dilution to our stockholders.

ChromaDex may become involved in securities class action litigation that could divert management s attention and harm its business.

The stock market in general, and the stocks of early stage companies in particular, have experienced extreme price and volume fluctuations. These fluctuations have often been unrelated or disproportionate to the operating performance of the companies involved. If these fluctuations occur in the future, the market price of ChromaDex s shares could fall regardless of its operating performance. In the past, following periods of volatility in the market price of a particular company s securities, securities class action litigation has been brought against that company. If the market price or volume of ChromaDex s shares suffers extreme fluctuations, then it may become involved in this type of litigation which would be expensive and divert management s attention and resources from managing the business.

Table of Contents

Item 2. Properties

As of January 2, 2010, ChromaDex leases approximately 13,000 square feet of office space in Irvine, California with four years remaining on the lease and laboratory manufacturing space of approximately 13,000 square feet of space in Boulder, Colorado with seven years remaining on the lease. The Company also leases an apartment with approximately 1,100 square feet in Irvine, California, and an apartment with less than 1,100 square feet in Longmont, Colorado. We do not own any real estate. For the year ended January 2, 2010, ChromaDex s total annual rental expense (excluding operating charges and real property taxes) was approximately $509,725.

Item 3. Legal Proceedings

We are not involved in any legal proceedings which management believes may have a material adverse effect on our business, financial condition, operations, cash flows, or prospects.

Item 4. [Reserved]

Table of Contents

PART II

Item 5. Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

ChromaDex common stock is currently quoted on the OTC Bulletin Board (OTCBB) under the symbol CDXC.OB , which is sponsored by the National Association of Securities Dealers (NASD). The OTCBB is a network of security dealers who buy and sell stock. The dealers are connected by a computer network that provides information on current bids and asks , as well as volume information.

The following table sets forth the range of high and low bid quotations for ChromaDex common stock for each of the periods indicated as reported by the OTCBB. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Calendar Year Ending December 31, 2009			Calendar Year Ending December 31, 2008		
Quarter Ended	**High $**	**Low $**	**Quarter Ended**	**High $**	**Low $**
December 31, 2009	$ 0.48	$ 0.21	December 31, 2008	$ 1.50	$ 0.16
September 30, 2009	$ 0.45	$ 0.10	September 30, 2008	$ 4.50	$ 0.85
June 30, 2009	$ 0.35	$ 0.11	June 30, 2008	$ 3.80	$ 3.00
March 31, 2009	$ 0.55	$ 0.10			

On March 26, 2010, the high and low bid prices were $0.41 and $0.37, respectively.

Prior to its merger with Cody Resources on June 20, 2008, ChromaDex stock had not been quoted in the market. Prior to the merger, Cody Resources Inc. was quoted on the OTCBB under the symbol CDYE.OB.

Penny Stock

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market price of less than $5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker s or dealer s duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer s account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser s written acknowledgment of the receipt of a risk

Table of Contents

disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our common stock. Therefore, stockholders may have difficulty selling our securities.

Holders of Our Common Stock

As of February 3, 2010, we had 196 holders of record of ChromaDex common stock

Dividends

We have not declared or paid any dividends on our common stock during either of the two most recent fiscal years.

Item 6. Selected Financial Data

Not Applicable.

Table of Contents

Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of financial condition and results of operation, together with the financial statements and the related notes appearing in Item 8 of this report.

Overview

ChromaDex supplies phytochemical reference standards and reference materials, related contract services, and products for the dietary supplement, nutraceutical, food and beverage, functional food, pharmaceutical and cosmetic markets. Our business strategy is to identify, acquire, reduce-to-practice, and commercialize innovative new natural products and green chemistry (environmentally safe) technologies, with an initial industry focus on the dietary supplement, cosmetic, food and beverage markets, as well as novel pharmaceuticals. We plan to utilize our experienced management team to commercialize these natural product technologies by advancing them through the proper regulatory approval processes, arranging for reliable and cost-effective manufacturing, and ultimately either selling or licensing the product lines to others.

The discussion and analysis of our financial condition and results of operations are based on the ChromaDex financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires making estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues, if any, and expenses during the reporting periods. On an ongoing basis, we evaluate such estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that our current cash, cash equivalents and cash generated from operations will be sufficient to meet our projected operating plans through June, 2011. We intend to seek additional capital prior to the end of June, 2011 both to meet our projected operating plans after June, 2011 and to fund our longer term strategic objectives. To the extent we are unable to raise additional cash or generate net income prior to June, 2011 to meet our projected operating plans, we will revise our projected operating plans accordingly. Additional capital may come from public and private stock or debt offerings, borrowings under lines of credit or other sources. These additional funds may not be available on favorable terms, or at all. Furthermore, if we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution and the new equity or debt securities we issue may have rights, preferences and privileges senior to those of our existing stockholders. In addition, if we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products or proprietary technologies, or grant licenses on terms that are not favorable to us. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, obtain the required regulatory clearances or approvals, long term strategic objectives, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our development and commercialization goals, which could have a material and adverse effect on our business, results of operations and financial condition. If we are unable to establish small to medium scale production capabilities through our own plant or though a collaboration we may be unable to fulfill our customer s requirements. This may cause a loss of future revenue streams as well as require us to look for third party vendors to provide these services. These vendors may not be available, or charge fees that prevent us from pricing competitively within our markets.

The FDA is currently in the process of starting to regulate the dietary supplement market under the new Good Manufacturing Practices (GMPs). The GMPs call for a three year phase in period and as of June, 2009, both large and medium manufacturers are held accountable under these new regulations. In June, 2010, small manufacturers will be held accountable as well. At this time, it is unknown to what extent the FDA will enforce the regulations and how they will be interpreted upon enforcement. These uncertainties may have a material

Table of Contents

adverse effect on the results of operations for ChromaDex as lack of enforcement or an interpretation of the regulations that lessens the burden of compliance for the dietary supplement marketplace may cause a reduced demand for ChromaDex s products and services.

The following discussion and analysis excludes the impact of Cody s financial condition and results of operations prior to the Merger because they were not material for any of the periods presented.

Results of Operations

ChromaDex generated Net Sales of $5,777,865 for the twelve month period ended January 2, 2010 and $4,506,301 for the twelve month period ended January 3, 2009. ChromaDex incurred a net loss of $907,568 for the twelve month period ended January 2, 2010 and a net loss of $2,104,476 for the twelve month period ended January 3, 2009. This equated to a $0.03 loss per basic and diluted share for the twelve month period ended January 2, 2010 versus a $0.07 loss per basic and diluted share for the twelve month period ended January 3, 2009.

Over the next twelve months, assuming the sufficiency of our cash resources, we plan to continue implementing accreditation and certification programs related to quality initiatives based on customer demand. In addition, we plan to continue expanding our chemical library program and to either establish a GMP compliant pilot plant to support small to medium scale production of target compounds or partner with a company that has these capabilities through a collaboration.

	Twelve months ending		
	January 2, 2010	January 3, 2009	Change
Sales	$ 5,777,865	$ 4,506,301	28%
Cost of sales	3,736,435	3,274,800	14%
Gross profit	2,041,430	1,231,501	66%
Operating expenses Sales and marketing	829,969	720,519	15%
General and administrative	2,104,193	2,574,985	-18%
Nonoperating expenses Interest expense	17,090	70,079	-76%
Interest income	(2,254)	(29,606)	-92%
Net loss	$ (907,568)	$ (2,104,476)	-57%

Net Sales

Net sales consist of Gross sales less returns and discounts. Net sales increased by 28% to $5,777,865 for the twelve month period ended January 2, 2010 as compared to $4,506,301 for the twelve month period ended January 3, 2009. This increase was due to our additional service offerings and increased demand for each of our existing products and services.

Cost of Sales

Costs of Sales include raw Materials, labor, overhead, and delivery costs. Cost of sales for the twelve month period ended January 2, 2010 was $3,736,435 versus $3,274,800 for the twelve month period ended January 3, 2009. As a percentage of net sales, this represented an 8% decrease for the twelve month period ended January 2, 2010 compared with the twelve month period ended January 3, 2009. This percentage decrease in cost of sales is a result of fixed labor and overhead costs that make up the majority of our expenses. These fixed expenses did not increase in proportion to sales as we were able to achieve growth in sales without an increase of certain labor and overhead costs. However, during the twelve month period ended January 2, 2010, sales of high volume products, primarily consisting of ingredients for dietary supplements and foods increased. These high volume products have significantly higher raw material costs associated with them. The Company expects to see

Table of Contents

a significant increase in the sales of these high volume products throughout 2010. These sales will likely cause the Company to experience lower gross margins as a percentage of sales during this time period.

Gross Profit

Gross profit is net sales less the cost of sales and is affected by a number of factors including product mix, competitive pricing and costs of products and services. Our gross profit increased 66% to $2,041,430 for the twelve month period ended January 2, 2010 from $1,231,501 for the twelve month period ended January 3, 2009. The increase in sales coupled with only a marginal increase in labor and overhead costs contributed to this increase in gross profit. The Company expects that as sales continue to grow, labor and overhead costs as a percentage of sales will continue to decrease as future growth in Net Sales will likely require lower direct labor and variable overhead costs.

Operating Expenses-Sales and Marketing

Sales and Marketing Expenses consist of salaries, commissions to employees and advertising and marketing. Sales and marketing expenses for the twelve month period ended January 2, 2010 was $829,969 as compared to $720,519 for the twelve month period ended January 3, 2009. This increase was primarily due to increased advertising and marketing across different customer sectors, as well as wages and commissions associated with the expansion of our sales staff.

Operating Expenses-General and Administrative

General and Administrative Expenses consist of research and development, general company administration, IT, accounting and executive management. General and Administrative Expenses for the twelve month period ended January 2, 2010, was $2,104,193 as compared to $2,574,985 for the twelve month period ended January 3, 2009. This decrease was primarily due to one time legal and accounting costs related to a private placement and our merger into a wholly owned subsidiary of Cody Resources, Inc. during the twelve month period ended January 3, 2009.

Non-operating Expenses- Interest Expense

Interest expense consists of interest on capital leases and notes payable. Interest expense for the twelve month period ended January 2, 2010, was $17,090 as compared to $70,079 for the twelve month period ended January 3, 2009. For the twelve month period ended January 2, 2010, the interest expense occurred was primarily due to capital lease obligations as compared to interest expense for the twelve month period ended January 3, 2009 which was primarily due to the note payable issued to Bayer AG on June 18, 2008, in conjunction with ChromaDex s repurchase of ChromaDex, Inc. shares prior to our merger into a wholly owned subsidiary of Cody Resources, Inc. This note was repaid on December 19, 2008.

Non-operating Expenses- Interest Income

Interest income consists of interest earned on money market accounts. Interest income for the twelve month period ended January 2, 2010, was $2,254 as compared to $29,606 for the twelve month period ended January 3, 2009. This decrease was primarily due to falling interest rates and a decrease in cash balance in our money market accounts.

Depreciation and Amortization

For the twelve month period ended January 2, 2010, we recorded approximately $270,672 in depreciation. We depreciate our assets on a straight-line basis, based on the estimated useful lives of the respective assets. We amortize intangible assets using a straight-line method over 10 years. In the twelve month period ended

Table of Contents

January 2, 2010, we recorded amortization on intangible assets of approximately $123,828. We test intangible assets for impairment on the last day of our fiscal year annually and based on events or changes in circumstances as they occur.

Liquidity and Capital Resources

Since inception and through January 2, 2010, we have incurred aggregate losses of $8.1 million. These losses are primarily due to overhead costs and general and administrative expenses associated with the development and expansion of our operations. These operations have been financed through capital contributions and the issuance of common stock.

The Board of Directors periodically reviews our capital requirements in light of our proposed business plan. Our future capital requirements will remain dependent upon a variety of factors, including cash flow from operations, the ability to increase sales, increasing our gross profits from current levels, reducing sales and administration expenses as a percentage of net sales, continued development of customer relationships, and our ability to market our new products successfully. However, based on our results from operations, we may determine that we need additional financing to implement our business plan, and there can be no assurance that it will be available on terms favorable to us or at all. If adequate financing is not available, we may have to delay, postpone or terminate product and service expansion and curtail general and administrative operations in order to maintain sufficient operating capital. The inability to raise additional financing may have a material adverse effect on us. We intend to seek additional capital prior to June, 2011 both to meet our projected operating plans after June, 2011 and to fund our longer term strategic objectives and are currently seeking to privately raise additional equity capital in a private transaction. To the extent we are unable to raise additional cash or generate net income prior to June, 2011 to meet our projected operating plans, we will revise our projected operating plans accordingly.

On November 29, 2009, we entered into a subscription agreement with Jinke Group (Hong Kong) Ltd (the "Investor") to purchase an aggregate of 1,916,811 shares of the Company's common stock at a purchase price of $0.5217 per share. In connection with the execution of the subscription agreement, the Investor agreed to wire $500,000 to the Company as consideration for receiving 958,406 shares of the Company's common stock (the "First Sale") and then wire an additional $500,000 to the Company on or before December 20, 2009 as consideration for receiving an additional 958,405 shares of the Company's common stock (the "Second Sale"). In addition, as part of this transaction, the Investor was to receive a warrant to purchase 1,333,334 shares of the Company's common stock at an exercise price of $.80 per share, provided, however, if the Investor did not tender consideration for the Second Sale on or before December 20, 2009, the shares of common stock subject to the warrant were to be reduced in half.

The Company has not received payment with respect to either the First Sale or the Second Sale. Although the Company has been informed by the Investor that the terms of the subscription agreement will be honored in full as quickly as possible and has been working with the Investor to ensure compliance with the subscription agreement, the Company cannot provide any assurance that it will receive payment for either the First Sale or the Second Sale.

Net cash used in operating activities:

Net cash used in operating activities for the twelve months ended January 2, 2010 was $396,000, compared to $1.9 million for the twelve months ended January 3, 2009. The decrease in net cash used in operating activities largely reflects a decrease in the net loss adjusted for non-cash items and an increase in cash provided by customer deposits, accounts payable, deferred rent, and prepaid expenses.

We expect that our operating cash flows may fluctuate significantly in future periods as a result of fluctuations in our operating results, shipment timetables, accounts receivable collections, inventory management, and the timing of our payments among other factors.

Table of Contents

Net cash used in investing activities:

Net cash used in investing activities was $179,000 for the twelve months ended January 2, 2010, compared to $496,000 for the twelve months ended January 3, 2009. The decrease in cash used in investing activities mainly reflects the timing of purchases of equipment for our service business as well as the purchase of intangible assets.

Net cash used in financing activities:

Net cash used in financing activities was $78,000 for the twelve months ended January 2, 2010, compared to $3.2 million provided by for the twelve months ended January 3, 2009. The net cash provided by financing activities for the twelve months ended January 3, 2009, mainly consisted of net proceeds from a private placement, partially offset by cash used to repurchase common stock prior to the Merger.

The Company believes the capital raised during the year ended January 3, 2009 will be sufficient to implement our current business plan through June, 2011. Our future capital requirements will remain dependent upon a variety of factors, including cash flow from operations, the ability to increase sales, increasing our gross profits from current levels, reducing sales and administration expenses as a percentage of net sales, continued development of customer relationships, and our ability to market our new products successfully, however, based on the results from operations, the Company may determine that it needs additional financing to implement its business plan, and there can be no assurance that it will be available on terms favorable to us or at all. If adequate financing is not available the Company may have to delay, postpone or terminate product and service expansion and curtail general and administrative operations in order to maintain sufficient operating capital throughout 2010. The inability to raise additional financing may have a material adverse effect on the Company.

Dividend policy

We have not declared or paid any dividends on our common stock. We presently intend to retain earnings for use in our operations and to finance our business. Any change in our dividend policy is within the discretion of our board of directors and will depend, among other things, on our earnings, debt service and capital requirements, restrictions in financing agreements, if any, business conditions, legal restrictions and other factors that our board of directors deems relevant.

Accounts receivable

As of January 2, 2010 we had $497,928 in accounts receivables as compared to $349,052 as of January 3, 2009. This increase is due to increased sales during the fourth quarter of 2009 as compared to 2008.

Inventories

As of January 2, 2010 we had $922,760 in inventory as compared to $711,584 as of January 3, 2009. This large increase is due to a company wide effort to increase items kept in stock during 2009 along with the purchases of larger quantities of raw materials and inventory to take advantage of volume pricing.

Accounts payable

As of January 2, 2010 we had $548,310 in accounts payable as compared to $444,337 as of January 3, 2009. This increase was primarily due to the timing of payments related to our purchases of raw materials components for sale as ingredients for dietary supplements and foods.

Table of Contents

Advances from Customers

As of January 2, 2010 we had $126,518 in advances from customers as compared to $34,260 as of January 3, 2009. These advances are for large scale contract services and contract research projects where the company requires a deposit before beginning work. This increase was due to increased orders for the large scale projects during the last six months of 2009.

Due to officers

As of January 2, 2010 and January 3, 2009, we had $1,178,206 due to officers. These consist of deferred officer salary for the two founders and are expected to be paid out as and when the Company has sufficient cash reserves.

Off-Balance Sheet Arrangements

During the Fiscal Years ended January 2, 2010 and January 3, 3009, the Company had no off-balance sheet arrangements other than ordinary operating as disclosed in the accompanying financial statements.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. 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 disclosures. On an ongoing basis, we evaluate these estimates, including those related to the valuation of share-based payments. We base our 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 for 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.

We believe that of our significant accounting policies, which are described in Note 1 to our financial statements appearing elsewhere in this report, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Revenue recognition:

The Company recognizes sales and the related cost of goods sold at the time the merchandise is shipped to customers or service is performed, when each of the following conditions have been met: an arrangement exists, delivery has occurred, there is a fixed price, and collectability is reasonably assured.

Intangible Assets:

Intangible assets include licensing rights and are accounted for based on the fair value of consideration given or the fair value of the net assets acquired, whichever is more reliable. Intangible assets with finite useful lives are amortized using the straight-line method over a period of 10 years, or, for licensed patent rights, the remaining term of the patents underlying licensing rights (considered to be the remaining useful life of the license).

Long-lived assets are reviewed for impairment on a periodic basis and when changes in circumstances indicate the possibility that the carrying amount may not be recoverable. Long-lived assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. If the

Table of Contents

forecast of undiscounted future cash flows is less than the carrying amount of the assets, an impairment charge would be recognized to reduce the carrying value of the assets to fair value. If a possible impairment is identified, the asset group s fair value is measured relying primarily on a discounted cash flow methodology.

Research and development costs:

Research and development costs consist of direct and indirect costs associated with the development of the Company s technologies. These costs are expensed as incurred.

New accounting pronouncements:

For a discussion of recently issued accounting pronouncements, refer to Note 1 appearing in Item 8 Financial Statements and Supplementary Data of this report.

Table of Contents

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders

ChromaDex Corporation

We have audited the consolidated balance sheets of ChromaDex Corporation and Subsidiaries as of January 2, 2010 and January 3, 2009, and the related consolidated statements of operations, stockholders equity and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ChromaDex Corporation and Subsidiaries as of January 2, 2010 and January 3, 2009, and the results of their operations and their cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

We were not engaged to examine management's assessment of the effectiveness of ChromaDex Corporation and Subsidiaries' internal control over financial reporting as of January 2, 2010, included in Item 9A(T) Controls and Procedures and, accordingly, we do not express an opinion thereon.

/s/ McGladrey & Pullen, LLP

Schaumburg, Illinois

March 31, 2010

Table of Contents

ChromaDex Corporation and Subsidiaries

Consolidated Balance Sheets

January 2, 2010 and January 3, 2009

	2009	2008
Assets		
Current Assets		
Cash	**$ 471,378**	$ 1,125,504
Trade receivables, less allowance for doubtful accounts 2009 $16,000; 2008 $11,000	**497,928**	349,052
Inventories	**922,760**	711,584
Prepaid expenses and other assets	**115,794**	112,609
Total current assets	**2,007,860**	2,298,749
Leasehold Improvements and Equipment, net	**1,203,431**	1,294,062
Deposits and Other Noncurrent Assets		
Deposits	**32,227**	44,981
Intangible assets, less accumulated amortization 2009 $916,785; 2008 $792,957	**321,490**	445,318
	353,717	490,299
	$ 3,565,008	$ 4,083,110
Liabilities and Stockholders Equity		
Current Liabilities		
Accounts payable	**$ 548,310**	$ 444,337
Accrued expenses	**270,250**	338,056
Current maturities of capital lease obligations	**28,430**	78,472
Due to officers	**1,178,206**	1,178,206
Customer deposits and other	**126,518**	34,260
Total current liabilities	**2,151,714**	2,073,331
Capital lease obligations, less current maturities	**45,868**	74,293
Deferred rent	**319,973**	186,323
Stockholders Equity		
Common stock, $.001 par value; authorized 50,000,000 shares; issued and outstanding 2009 and 2008 28,838,216 shares	**28,838**	28,838
Additional paid-in capital	**9,126,141**	8,920,283
Accumulated deficit	**(8,107,526)**	(7,199,958)
	1,047,453	1,749,163
	$ 3,565,008	$ 4,083,110

See Notes to Consolidated Financial Statements.

Table of Contents

ChromaDex Corporation and Subsidiaries

Consolidated Statements of Operations

Years Ended January 2, 2010 and January 3, 2009

	2009	2008
Sales	**$ 5,777,865**	$ 4,506,301
Cost of sales	**3,736,435**	3,274,800
Gross profit	**2,041,430**	1,231,501
Operating expenses:		
Sales and marketing	**829,969**	720,519
General and administrative	**2,104,193**	2,574,985
	2,934,162	3,295,504
Operating loss	**(892,732)**	(2,064,003)
Nonoperating (income) expenses:		
Interest expense	**17,090**	70,079
Interest income	**(2,254)**	(29,606)
	14,836	40,473
Net loss	**$ (907,568)**	$ (2,104,476)
Basic and Diluted loss per common share	**$ (0.03)**	$ (0.07)
Basic and Diluted average common shares outstanding	**28,838,216**	28,312,934

See Notes to Consolidated Financial Statements.

Table of Contents

ChromaDex Corporation and Subsidiaries

Statement of Stockholders Equity

Years Ended January 2, 2010 and January 3, 2009

	Common Stock				Total
	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders Equity
Balance, December 29, 2007	26,540,809	26,541	5,465,256	(5,095,482)	396,315
Issuance of common stock, net of offering costs of $458,827	3,512,202	3,512	4,284,243		4,287,755
Exercise of stock options	8,000	8	7,992		8,000
Share-based compensation			121,185		121,185
Repurchase and cancellation of Bayer Shares	(1,222,795)	(1,223)	(958,394)		(959,617)
Net loss				(2,104,476)	(2,104,476)
Balance, January 3, 2009	28,838,216	28,838	8,920,283	(7,199,958)	1,749,163
Share-based compensation			205,858		205,858
Net loss				(907,568)	(907,568)
Balance, January 2, 2010	**28,838,216**	**28,838**	**9,126,141**	**(8,107,526)**	**1,047,453**

See Notes to Consolidated Financial Statements.

Table of Contents

ChromaDex Corporation and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended January 2, 2010 and January 3, 2009

	2009	2008
Cash Flows from Operating Activities		
Net loss	**$ (907,568)**	$ (2,104,476)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation	**270,672**	256,293
Amortization of intangibles	**123,828**	119,987
Stock issued for services provided		22,669
Share-based compensation expense	**205,858**	121,185
Due to officers		10,384
Other	**(554)**	
Changes in operating assets and liabilities:		
Trade receivables	**(148,876)**	26,181
Inventories	**(211,176)**	(213,949)
Prepaid expenses and other assets	**9,569**	(33,350)
Accounts payable	**103,973**	(56,201)
Accrued expenses	**(67,806)**	(13,869)
Customer deposits and other	**92,258**	(83,709)
Deferred rent	**133,650**	27,484
Net cash (used in) operating activities	**(396,172)**	(1,921,371)
Cash Flows From Investing Activities		
Purchases of leasehold improvements and equipment	**(184,487)**	(417,532)
Purchase of intangible assets		(78,275)
Other	**5,000**	
Net cash (used in) investing activities	**(179,487)**	(495,807)
Cash Flows From Financing Activities		
Proceeds from issuance of common stock		4,265,086
Proceeds from exercise of options		8,000
Repurchase of common stock		(959,617)
Principal payments on capital leases	**(78,467)**	(74,572)
Net cash (used in) provided by financing activities	**(78,467)**	3,238,897
Net (decrease) increase in cash	**(654,126)**	821,719
Cash:		
Beginning	**1,125,504**	303,785
Ending	**$ 471,378**	$ 1,125,504
Supplemental Disclosures of Cash Flow Information Cash payments for interest	**$ 17,090**	$ 70,079
Stock Issued for Services Provided	**$**	$ 22,669

See Notes to Consolidated Financial Statements.

39

Table of Contents

Note 1. Nature of Business and Significant Accounting Policies

Nature of business: ChromaDex Corporation and its wholly owned subsidiaries, ChromaDex, Inc. and Chromadex Analytics, Inc. (collectively the Company) create and supply botanical reference standards along with related phytochemical products and services. The Company s main priority is to create industry-accepted information, and to provide products and services to every layer of the functional food, pharmaceutical, personal care and dietary supplement markets. The Company provides these services at various terms with terms of net 30 days the most common.

Significant accounting policies are as follows:

Principles of consolidation: The consolidated financial statements include the accounts of ChromaDex Corporation and its wholly owned subsidiaries, ChromaDex, Inc. and Chromadex Analytics, Inc. Intercompany transactions and balances have been eliminated in consolidation.

Accounting estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue recognition: The Company recognizes sales and the related cost of goods sold at the time the merchandise is shipped to customers or service is performed, when each of the following conditions have been met: an arrangement exists, delivery has occurred, there is a fixed price, and collectability is reasonably assured.

Accounting Treatment of the Merger; Financial Statement Presentation: On June 20, 2008, ChromaDex, Inc. merged (the Merger) into a wholly owned subsidiary of Cody Resources, Inc. (Cody). The Merger was accounted for as a reverse merger under generally accepted accounting principles. Therefore: (1) Cody s historical accumulated deficit for periods prior to June 20, 2008, in the amount of $40,081, was eliminated against additional-paid-in-capital, and (2) the consolidated financial statements present the previously issued shares of common stock of Cody as having been issued pursuant to the Merger on June 20, 2008 and the shares of common stock of the Company issued to the former ChromaDex, Inc. stockholders in the Merger as having been outstanding since February, 2000, (the month when ChromaDex, Inc. first issued equity securities). No goodwill or other intangible asset was recorded as a result of the Merger.

Change in fiscal year ending: On June 20, 2008, in conjunction with the Merger, the Company changed its fiscal year end from November 30 to the Saturday closest to December 31. Since the capital transaction was accounted for as a reverse merger, the Company s historical financial statements presented prior to the Merger are the historical financial statements of accounting acquirer, ChromaDex, Inc., whose fiscal year end was the Saturday closest to December 31. The fiscal years ended January 2, 2010 (referred to as 2009), which consisted of 52 weeks, and January 3, 2009 (referred to as 2008), which consisted of 53 weeks.

Cash concentration: The Company maintains substantially all of its cash in one bank account.

Trade accounts receivable: Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a periodic review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade accounts receivable are written off when deemed uncollectible. Recoveries of trade accounts receivable previously written off are recorded when received.

Inventories: Inventories are comprised of finished goods and are stated at the lower of cost, determined by the first-in, first-out method (FIFO) method, or market. The inventory on the balance sheet is recorded net of valuation allowances of $172,000 and $240,000 for the periods ended January 2, 2010 and January 3, 2009 respectively. Labor and overhead has been added to inventory that was manufactured or characterized by the Company.

Table of Contents

Intangible assets: Intangible assets consist of licensing costs and are amortized on the straight-line method over the contract life of 10 years.

Leasehold improvements and equipment: Leasehold improvements and equipment are carried at cost and depreciated on the straight-line method over the lesser of the estimated useful life of each asset or lease term. Leasehold improvements and equipment are comprised of laboratory equipment, furniture and fixtures, and computer equipment. Useful lives range from 3 to 10 years. Depreciation on equipment under capital lease is included with depreciation on owned assets.

Customer deposits: Customer deposits represent cash received from customers in advance of product shipment or delivery of services.

Income taxes: Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company files tax returns in all appropriate jurisdictions, which include a federal tax return, California state tax return, Colorado state tax return, and Arizona state tax return. Open tax years for these jurisdictions are 2006 to 2008, which statutes expire in 2010 to 2012, respectively. When and if applicable, potential interest and penalty costs are accrued as incurred, with expenses recognized in general and administrative expenses in the statements of operations. As of January 2, 2010, the Company has no liability for unrecognized tax benefits.

Share based compensation: The Company has two stock option plans under which the Board of Directors may grant stock options to employees. The Company accounts for the plans under the recognition and measurement provisions of Accounting Standards Codification (ASC) Topic 718 *Compensation Stock Compensation*. The standard requires entities to measure the cost of employee services received in exchange for stock options based on the grant-date fair value of the award, and to recognize the cost over the period the employee is required to provide services for the award.

The Company recognizes compensation expense under Topic 718 over the requisite service period using the straight-line method. Compensation expense for options with performance conditions is recognized only for those options expected to vest.

Financial instruments: The Company follows the provisions of ASC 820-10, *Fair Value Measurements* which defines fair values, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Company's financial instruments include accounts receivable, accounts payable and capital leases. The fair values of all financial instruments were not materially different from their carrying values.

New accounting pronouncements: In June 2009, the Financial Accounting Standards Board (FASB) issued the FASB Accounting Standards Codification (the ASC). The ASC has become the single source of non-governmental accounting principles generally accepted in the United States (GAAP) recognized by the FASB in the preparation of financial statements. The ASC does not supersede the rules or regulations of the Securities and Exchange Commission (SEC), therefore, the rules and interpretive releases of the SEC continue to be additional sources of GAAP for the Company. The Company adopted the ASC as of July 5, 2009. The ASC does not change GAAP and did not have an effect on the Company s financial position, results of operations or cash flows.

Table of Contents

On January 4, 2009, the Company adopted a provision of Topic ASC 350 *Goodwill and Others* issued by the FASB related to accounting for defensive intangible assets. ASC 350-30-25 provides guidance on the treatment of acquired intangible assets in situations in which an entity does not intend to actively use the asset but intends to hold (lock up) the asset to prevent others from obtaining access to the asset (a defensive intangible asset), except for intangible assets that are used in research and development activities. The adoption of this standard did not have an effect on the Company s financial position, results of operations or cash flows.

On January 4, 2009, the Company adopted a provision of Topic ASC 815-40 *Derivatives and Hedging* issued by the FASB that establishes guidance for determining whether an instrument (or embedded feature) is indexed to the entity s own stock. ASC 815-40 provides a two step approach for determining whether an equity-linked financial instrument (or an embedded feature) is indexed to an entity s own stock. The adoption of this standard did not have an effect on the Company s financial position, results of operations or cash flows.

On January 4, 2009, the Company adopted a new accounting standard issued by the FASB that establishes guidance for the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset. The adoption of this standard did not have an effect on the Company s financial position, results of operations or cash flows.

In September 2006, the FASB issued a new accounting standard which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This standard was effective for fiscal years beginning after November 15, 2007 for financial assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis in the financial statements. In November 2007, the FASB provided a one year deferral for the implementation of this standard for other nonfinancial assets and liabilities. The Company adopted this standard for financial assets and liabilities effective December 30, 2007 and for non-financial assets and liabilities effective January 4, 2009. The adoption of this standard did not have an effect on the Company s financial position, results of operations or cash flows for either period.

Reclassifications: Certain prior year balances have been reclassified to conform to the 2009 presentation.

Note 2. Earnings Per Share

Potentially dilutive common shares consist of the incremental common shares issuable upon the exercise of common stock options and warrants for all periods. For all periods ended January 2, 2010 and January 3, 2009, the basic and diluted shares reported are equal because the common share equivalents are anti-dilutive due to the Company s net losses. Below is a tabulation of the potentially dilutive securities for the periods ended January 2, 2010 and January 3, 2009.

	Years Ended	
	2009	**2008**
Basic average common shares outstanding	**28,838,216**	28,312,934
Warrants and options in the money, net		246,813
Weighted average common shares outstanding assuming dilution	**28,838,216**	28,559,747

Table of Contents

Note 3. Intangible Assets

Intangible assets consisted of the following:

	2009		2008	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:				
License agreements	$ 1,238,275	$ 916,785	$ 1,238,275	$ 792,957

Amortization expense on amortizable intangible assets included in the consolidated statement of operations for the year ended January 2, 2010 and January 3, 2009 was $123,828 and $119,987, respectively.

Estimated aggregate amortization expense for each of the next five years is as follows:

Years ending December:	
2010	71,328
2011	65,858
2012	43,828
2013	43,828
2014	43,828
Thereafter	52,820
	$ 321,490

Note 4. Leasehold Improvements and Equipment

Leasehold improvements and equipment consisted of the following:

	2009	2008
Laboratory equipment	$ 2,063,860	$ 2,055,101
Leasehold improvements	332,702	140,022
Computer equipment	208,499	205,933
Furniture and fixtures	15,308	15,308
Office equipment	3,445	3,445
Construction in progress	86,031	111,465
	2,709,845	2,531,274
Less accumulated depreciation	1,506,414	1,237,212
	$ 1,203,431	$ 1,294,062

Note 5. Capitalized Lease Obligations

The Company leases equipment under capitalized lease obligations with a total cost of $127,920 and $325,467 and accumulated amortization of $34,866 and $138,137 as of January 2, 2010 and January 3, 2009, respectively.

43

Table of Contents

Minimum future lease payments under capital leases as of January 2, 2010, are as follows:

Year ending December:	
2010	$ 38,519
2011	38,519
2012	13,292
Total minimum lease payments	90,330
Less amount representing interest	16,032
Present value of net minimum lease payments	74,298
Less current portion	28,430
Long-term obligations under capital leases	$ 45,868

Interest expense related to capital leases was $17,090 and $27,005 for the years ended January 2, 2010 and January 3, 2009, respectively.

Note 6. Accrued Expenses

Accrued expenses consisted of:

	2009	2008
Salaries and vacation	$ 128,156	$ 122,711
Professional services	77,155	156,624
Other	64,939	58,721
	$ 270,250	$ 338,056

Note 7. Income Taxes

A reconciliation of income tax expense (benefit) computed at the statutory federal income tax rate of 34% for 2009 and 2008 compared to the Company s income tax expense for the years ended January 2, 2010 and January 3, 2009 is as follows:

	2009	2008
Income tax expense (benefit) at statutory rate	$ (308,000)	$ (716,000)
(Increase) decrease resulting from:		
State income taxes, net of federal tax effect	(49,000)	(111,000)
Nondeductible expenses	24,000	15,000
Change in valuation allowance	369,000	812,000
Other	(36,000)	
	$	$

Table of Contents

The deferred income tax assets and liabilities consisted of the following components as of January 2, 2010 and January 3, 2009:

	2009	2008
Deferred tax assets:		
Net operating loss carryforward	$ 2,413,000	$ 2,096,000
Inventory reserve	68,000	94,000
Allowance for doubtful accounts	6,000	11,000
Accrued expenses	490,000	485,000
Intangibles	71,000	73,000
Deferred rent	38,000	
	3,086,000	2,759,000
Less valuation allowance	2,970,000	2,601,000
	116,000	158,000
Deferred tax liabilities:		
Property and equipment	(100,000)	(134,000)
Prepaid expenses	(16,000)	(24,000)
	(116,000)	(158,000)
	$	$

The Company has tax net operating loss carryforwards available to offset future federal taxable income and future state taxable income of approximately $5,620,000 and $5,090,000, respectively which expire through December 31, 2025 and 2026, respectively.

Note 8. Share-based Compensation and Warrants

Stock option plan: At the discretion of management and with approval of the Board of Directors, the Company may grant options to purchase the Company s common stock to certain individuals from time to time. Management and the Board of Directors determine the exercise price, vesting periods and expiration dates at the time of grant. Expiration dates are not to exceed 10 years. The Company under its 2007 option plan is authorized to issue stock options that total no more than 4,000,000 shares or 10% of the outstanding amount whichever is greater and was authorized to issue stock options that totaled no more than 2,198,490 under its 2000 option plan. Beginning in 2007, options were no longer issuable under the 2000 option plan. The remaining amount available for issuance under the 2007 option plan totaled 982,712 at January 2, 2010. The option awards generally vest ratably over a five-year period following grant date after a passage of time.

The Company recognized share-based compensation expense of $205,858 and $121,185 in general and administrative expenses in the statement of operations for the years ended January 2, 2010 and January 3, 2009.

The fair value of the Company s stock options was estimated at the date of grant using the Black-Scholes based option valuation model. The table below outlines the weighted average assumptions for options granted during the years ended January 2, 2010 and January 3, 2009.

Year Ended December	2009	2008
Volatility	29.97%	26.75%
Expected dividends	0.00%	0.00%
Expected term	6.0 years	6.1 years
Risk-free rate	2.27%	3.12%

45

Table of Contents

The Company calculated expected volatility from the volatility of publicly held companies in similar industries, as the Company s historical volatility of the Company s common stock does not cover the period equal to the expected life of the options. The dividend yield assumption is based on the Company s history and expectation on future dividend payouts on the common stock. The risk-free interest rate is based on the implied yield available on U.S. treasury zero-coupon issues with an equivalent remaining term. The Company used the simplified method for estimating the expected term of the options. The expected term of the options represents the estimated period of time until exercise and is based on historical experience of awards, giving consideration to the contractual terms, vesting schedules and expectations of future employee behavior.

The following table summarizes options activity at January 2, 2010 and changes during the year then ended:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 3, 2009	3,324,307	$ 1.35		
Options Granted	929,301	0.87		
Options Exercised				
Options Forfeited	(113,182)	1.24		
Outstanding at January 2, 2010	4,140,426	$ 1.25	7.57	
Exercisable at January 2, 2010	1,929,948	$ 1.24	6.51	

As of January 2, 2010, the aggregate intrinsic value of outstanding options was $0, as the exercise prices for all outstanding options were higher than the Company s closing stock price of $0.44. No options were exercised during the year ended January 2, 2010. There were 8,000 options exercised during the year ended January 3, 2009, with an intrinsic value of $400.

As of January 2, 2010, there was $473,122 of total unrecognized compensation expense related to nonvested share based compensation arrangements granted under the plans. That cost is expected to be recognized over a weighted average period of 2.60 years as of January 2, 2010. The weighted average fair value of options granted during the years ended January 2, 2010, and January 3, 2009 was $.12, and $.38 respectively. The realized tax benefit from stock options for the years ended January 2, 2010, and January 3, 2009 was $0, based on the Company s election of the with and without approach. The fair value of the options that vested during the years ended January 2, 2010 and January 3, 2009 was $329,002 and $11,724, respectively.

Warrants: During the fiscal year ended at January 3, 2009, the Company granted warrants as a part of private placement equity offering using New Castle Financial Services, Inc. From March 7, 2008 to July 29, 2008, the company granted 1,718,350 warrants to investors to purchase the Company common stock at $3.00 per share. The Company has the right to call these warrants at $4.50 per share.

In addition, the Company also granted warrants to the placement agent, New Castle Financial Services, Inc. in exchange for part of their services as a placement agent during the fiscal year ended at January 3, 2009. On August 7, 2008, the Company granted 336,390 warrants to New Castle Financial Services, Inc. to purchase the Company common stock at $1.36 per share.

Table of Contents

The fair value of these warrants was estimated at the date of grant using the Black-Scholes based option valuation model. The warrants were valued at $1,224,575 and recorded by the Company in additional paid-in capital. The table below outlines the weighted average assumptions for warrants granted during the fiscal year ended January 3, 2009.

Summary of Significant Assumptions	January 3, 2009
Expected Term	5.00
Expected Volatility	22.02%
Expected Dividends	0.00%
Risk Free Rate of Return	2.84%

The expected volatility is based on an average of comparable public companies.

At January 2, 2010, the following warrants were outstanding and exercisable:

Warrants granted in connection with:	Weighted Average Exercise Prices	Number Outstanding And Exercisable At January 2, 2010	Weighted Average Remaining Life
Placement Agent (New Castle)	$ 1.36	336,390	3.59
Private Placement Equity Offering	$ 3.00	1,718,350	3.30
	$ 2.73	2,054,740	3.35

Note 9. Stock Issuances and Redemptions

During the year ended January 3, 2009, the Company received net capital contributions from third party investors through a private placement offering of $4,215,086 in exchange for issuing 3,436,700 shares of common stock. The private placement equity offering, using New Castle Financial Services, Inc. as the placement agent for a significant portion of the offering, has been concluded. The total offering was for 3,436,700 shares at $1.36 per share for a net total of $4,215,086 with $4,116,085 attributable to investors from New Castle. Investors who purchased these shares received one warrant to purchase an additional share of the Company common stock at $3.00 for every two shares of Company common stock they purchased. The Company has the right to call these warrants at $4.50 per share. The total number of warrants issued under this private placement was 1,718,350. New Castle Financial Services, Inc., in exchange for their services as a placement agent received 10% of the cash proceeds from investors who invested in the offering through New Castle and also received a warrant to purchase one share at $1.36 for every ten shares subscribed under the offering through New Castle. This warrant was issued to New Castle upon the completion of their services in conjunction with the private placement.

Additionally, during the year ended January 3, 2009, the Company sold 50,000 shares for $50,000 to one of its stockholders. The Company also issued 25,502 shares in exchange for outstanding legal billings of $22,669 incurred in prior years.

On June 18, 2008, prior to the Merger, ChromaDex, Inc. repurchased 1,222,795 shares from Bayer AG. In conjunction with this repurchase, ChromaDex, Inc issued a non-interest bearing note to Bayer AG. This note was due December 31, 2008 in the amount of $1,002,691. The note was discounted based on an interest rate of 8.00% for a discount of $43,074 and the note was recorded at a discounted value of $959,617. This note was repaid on December 18, 2008. The repurchased shares were cancelled on June 18, 2008.

Table of Contents

Note 10. Lease Commitments

The Company leases its office and research facilities in California and Colorado under operating lease agreements that expire at various dates from April 2010 through April 2016. Monthly lease payments range from $1,029 per month to $19,657 per month, and minimum lease payments escalate during the terms of the leases. Generally accepted accounting principles require total minimum lease payments to be recognized as rent expense on a straight-line basis over the term of the lease. The excess of such expense over amounts required to be paid under the lease agreement is carried as a noncurrent liability on the Company s consolidated balance sheet.

Minimum future rental payments under all of the leases are as follows:

Fiscal years ending:	
2010	$ 445,614
2011	444,592
2012	459,638
2013	474,908
2014	270,800
Thereafter	372,811
	$ 2,468,363

Rent expense was $509,725, and $416,612 for the years ended January 2, 2010 and January 3, 2009, respectively.

Note 11. Related Party Transactions

At January 2, 2010 and January 3, 2009, the Company owed $1,178,206 for both dates, to two officers relating to unpaid compensation. The amounts owed to officers are unsecured, non-interest bearing, and payable on demand.

Note 12. Litigation

From time to time the Company has and expects to have claims and pending legal proceedings that generally involve product liability, professional service and employment issues. These proceedings are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by the Company. In the opinion of management, such proceedings are substantially covered by insurance and/or are without merit, and the ultimate disposition of such proceedings is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

Note 13. Business Segmentation and Geographical Distribution

Revenue from international sources approximated $1,477,000 and $1,424,000 for the years ended January 2, 2010 and January 3, 2009, respectively. International sources which the Company generates revenue include Europe, North America, South America, Asia, and Oceania.

The Company s operations comprise a single business segment and all of the Company s long-lived assets are located within the United States.

Note 14. Management s Plans for Operations

The Company has incurred a loss from operations of $892,732 and a net loss of $907,568 for the year ended January 2, 2010, and a net loss of $2,104,476 for the year ended January 3, 2009. The loss for the year ended January 2, 2010 reflects costs related to increased service capacity as well as related to reporting, legal,

48

Table of Contents

accounting and compliance associated with being a public reporting entity. The Company expects to incur significant future costs associated with being a public reporting entity. The loss for the year ended January 3, 2009 largely reflects one-time legal and accounting costs associated with the Merger and subsequent costs associated with becoming a public reporting entity. The legal and accounting one-time costs for the year ended January 3, 2009 were approximately $640,000. In addition, management has invested heavily in additional personnel and selling expenses over the past two years to implement its business plan. This has resulted in higher direct labor, indirect overhead, selling, and advertising expenses versus prior years. Management has also implemented additional strategic operational structure changes, which it believes, will allow the Company to achieve profitability with future growth without incurring significant additional overhead costs. Management s anticipation of future growth is largely related to the Food and Drug Administration s (FDA s) guideline releases in the dietary supplement industry and the market s trend towards green chemistry in the food and cosmetic sector. The Company has implemented a comprehensive marketing plan design targeted on leveraging its capabilities concurrent with the FDA s releases. The Company has also expanded its marketing plan to target the pharmaceutical, cosmetic and food sectors to support the reference standards, analytical services and discovery libraries product lines.

The company s net cash used in operating activities was approximately $396,000 for the year ended in January 2, 2010, which was significantly less than approximately $1,921,000 for the year ended in January 3, 2009. Achieving growth without incurring significant additional overhead costs coupled with one-time legal and accounting costs for the year ended January 3, 2009 contributed to this significant decrease in net cash used. As mentioned earlier, the Management believes the implemented strategic operational structure changes will allow the Company to achieve profitability through future sales growth without incurring significant additional overhead costs. This was evidenced by the company s net decrease in cash for the 6 month period ended January 2, 2010 being approximately $135,000.

The Company believes its current cash on hand and the cash provided by current operations will be sufficient to implement our current business plan through the June, 2011. However, if the Company determines that it needs additional financing to further enable its long-term strategic objectives, there can be no assurance that it will be available on terms favorable to it or at all. If adequate financing is not available, the Company may have to delay, postpone or terminate product and service expansion and curtail general and administrative operations in order to maintain sufficient operating capital throughout 2010. The inability to raise additional financing may have a material adverse effect on the future performance of the Company.

Table of Contents

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

We have had no disagreements with our independent and registered public accounting firm on accounting and financial disclosure.

Item 9A(T). Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company s Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the Company s disclosure controls and procedures as of January 2, 2010. Pursuant to Rule13a-15(e) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, disclosure controls and procedures means controls and other procedures that are designed to insure that information required to be disclosed by the Company in the reports that it files with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified in the Commission s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to insure that information the Company is required to disclose in the reports it files with the Commission is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure. Based on the Company s evaluation, its Chief Executive Officer and Chief Financial Officer concluded that the Company s disclosure controls and procedures were effective as of January 2, 2010.

Changes in Internal Controls

There was no change in internal controls over financial reporting (as defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934) that occurred during the Company s fourth fiscal quarter that has materially affected or is reasonably likely to materially affect the Company s internal control over financial reporting.

Management s Report on Internal Control over Financial Reporting

The management of ChromaDex is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934.

Management, including the undersigned Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company s internal control over financial reporting presented in conformity with accounting principles generally accepted in the United States of America as of January 2, 2010. In conducting its assessment, management used the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control Integrated Framework*. Based on this assessment, management concluded that, as of January 2, 2010, the Company s internal control over financial reporting was effective based on those criteria.

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

Item 9B. Other Information

None.

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Except as hereinafter noted, the information concerning directors and executive officers of the Company is incorporated by reference from the section entitled Proposal 1: Election of Directors , Corporate Governance , and Security Ownership of Certain Beneficial Owners and Management of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

The Company has adopted a Code of Conduct that applies to all of the Company s employees, including the Company s principal executive officer, the principal financial and accounting officer, and all employees who perform these functions. A full text of our Code of Conduct is published on our website at www.chromadex.com under the tab Investor Relations-Corporate Governance. If the Company shall amend its Code of Conduct as applies to the principal executive officer, principal financial officer, principal accounting officer or controller (or persons performing similar functions) or shall grant a waiver from any provision of the code of conduct to any such person, the Company shall disclose such amendment or waiver on its website at www.chromadex.com under the tab Investor Relations-Corporate Governance.

Item 11. Executive Compensation

Information concerning management remuneration and transactions is incorporated by reference from the section entitled Director Compensation and Executive Compensation of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

Table of Contents

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Equity Compensation Plan Information

The following table provides information about the equity compensation plans of ChromaDex as of January 2, 2010:

Plan Category	A Number of securities to be issued upon exercise of outstanding options, warrants and rights	B Weighted-average exercise price of outstanding options, warrants and rights	C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))
Equity compensation plans approved by security holders	4,140,426	$ 1.25	982,712(1)
Equity compensation plans not approved by security holders			
Total	4,140,426	$ 1.25	982,712(1)

(1) Pursuant to the ChromaDex, Inc. 2007 Second Amended and Restated Equity Incentive Plan (the 2007 Plan), the maximum number of shares authorized for issuance under this plan is the greater of 4,000,000 shares of common stock or 10% of the shares of common stock of the Company issued and outstanding on any date during the 2007 Plan, as determined in accordance with Section 13(a) of the 2007 Plan, subject to specified adjustment.

Information concerning security ownership of certain beneficial owners and management is incorporated by reference from the sections entitled Security Ownership of Certain Beneficial Owners and Management of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information concerning relationships and related transactions with management and others is incorporated by reference from the section entitled Certain Relationships and Related Transactions, and Director Independence of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

Item 14. Principal Accounting Fees and Services

Information concerning principal accounting fees and services is incorporated by reference from the section entitled Ratification of Appointment of Independent Public Accountants of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

Table of Contents

PART IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statements

Reference is made to Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

List of Exhibits

Reference is made to the Exhibit Index immediately preceding such Exhibits of this Annual Report on Form 10-K.

Table of Contents

Item 16. Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized, on the 31st day of March 2010.

CHROMADEX CORPORATION

By: /s/ FRANK L. JAKSCH, JR.
Frank L. Jaksch, Jr.
Chief Executive Officer and President

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

Signature	Title	Date
/s/ FRANK L. JAKSCH, JR. **Frank L. Jaksch, Jr.**	Co-Chairman of the Board, Chief Executive Officer, President, Director (Principal Executive Officer)	March 31, 2010
/s/ THOMAS C. VARVARO **Thomas C. Varvaro**	Chief Financial Officer, Secretary and Director (Principal Financial and Accounting Officer)	March 31, 2010
/s/ STEPHEN BLOCK **Stephen Block**	Director	March 31, 2010
/s/ REID DABNEY **Reid Dabney**	Director	March 31, 2010
/s/ MARK S. GERMAIN **Mark S. Germain**	Co-Chairman of the Board, Director	March 31, 2010

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of May 21, 2008, among Cody, CDI Acquisition, Inc. and ChromaDex, Inc. as amended on June 10, 2008 (incorporated by reference from, and filed as Exhibit 2.1 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
3.1	Amended and Restated Certificate of Incorporation of ChromaDex Corporation, a Delaware corporation (incorporated by reference from, and filed as Exhibit 3.1 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
3.2	Bylaws of ChromaDex Corporation, a Delaware corporation (incorporated by reference from, and filed as Exhibit 3.2 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.1	Form of Stock Certificate representing shares of ChromaDex Corporation Common Stock (incorporated by reference from, and filed as Exhibit 4.1 of the Company s Annual Report on Form 10-K filed with the Commission on April 3, 2009)
4.2	Investor s Rights Agreement, effective as of December 31, 2005, by and between The University of Mississippi Research Foundation and ChromaDex (incorporated by reference from, and filed as Exhibit 4.1 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.3	Tag-Along Agreement effective as of December 31, 2005, by and among the Company, Frank Louis Jaksch, Snr. & Maria Jaksch, Trustees of the Jaksch Family Trust, Margery Germain, Lauren Germain, Emily Germain, Lucie Germain, Frank Louis Jaksch, Jr., and the University of Mississippi Research Foundation (incorporated by reference from, and filed as Exhibit 4.2 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.4	License Agreement, effective September 15, 2005 between L&J Becvar, L.P. and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 4.3 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.5	Form of Warrant to Purchase Shares of Common Stock of ChromaDex Corporation (incorporated by reference from, and filed as Exhibit 4.1 to the Company s Current Report on Form 8-K filed with the Commission on July 30, 2008)
10.1	ChromaDex, Inc. 2000 Non-Qualified Incentive Stock Option Plan effective October 1, 2000 (incorporated by reference from, and filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.2	Second Amended and Restated 2007 Equity Incentive Plan effective March 13, 2007 (incorporated by reference from, and filed as Exhibit 10.2 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.3	Form of Stock Option Agreement under the ChromaDex, Inc. Second Amended and Restated 2007 Equity Incentive Plan (incorporated by reference from, and filed as Exhibit 10.3 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.4	Form of Restricted Stock Purchase Agreement under the ChromaDex, Inc. 2007 Equity Incentive Plan (incorporated by reference from, and filed as Exhibit 10.4 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+

Table of Contents

Exhibit Number	Description
10.5	Employment Agreement dated April 14, 2008, by and between Frank L. Jaksch, Jr. and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 10.5 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.6	First Amendment to Employment Agreement dated April 14, 2008, by and between Frank L. Jaksch, Jr. and ChromaDex, Inc. Amended August 21, 2008 (incorporated by reference from, and filed as Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q filed with the Commission on November 12, 2008)(1)+
10.7	Employment Agreement dated April 14, 2008, by and between Thomas C. Varvaro and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 10.6 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.8	First Amendment to Employment Agreement dated April 14, 2008, by and between Thomas C. Varvaro and ChromaDex, Inc. Amended August 21, 2008 (incorporated by reference from, and filed as Exhibit 10.2 to the Company s Quarterly Report on Form 10-Q filed with the Commission on November 12, 2008)(1)+
10.9	Standard Industrial/Commercial Multi-Tenant Lease Net dated December 19, 2006, by and between the ChromaDex, Inc. and SCIF Portfolio II, LLC (incorporated by reference from, and filed as Exhibit 10.7 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.10	Lease Agreement dated October 26, 2001, by and between Railhead Partners, LLC and NaPro BioTherapeutics, Inc., as assigned to Chromadex Analytics, Inc. on April 9, 2003 and amended on September 24, 2003 (incorporated by reference from, and filed as Exhibit 10.8 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.11	First Amendment to Standard Industrial/Commercial Multi-Tenant Lease, made as of July 18, 2008, between SCIF Portfolio II, LLC (Lessor) and ChromaDex, Inc. (Lessee) (incorporated by reference from, and filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed with the Commission on July 23, 2008)
10.12	Second Addendum to Lease Agreement, made as of April 27, 2009, by and between Railhead Partners, LLC and Chromadex Analytics, Inc. (incorporated by reference from, and filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed with the Commission on April 28, 2009)
10.13	Licensing Agreement Nutraceutical Standards effective as of December 31, 1999 between the University of Mississippi Research Foundation and ChromaDex (incorporated by reference from, and filed as Exhibit 10.9 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.14	Equity Based License Agreement dated October 25, 2001, by and between the Company and Bayer Innovation Beteiligungsgesellshaft mbH, as amended as of October 30, 2003 (incorporated by reference from, and filed as Exhibit 10.10 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.15	License Agreement, effective September 15, 2005 between L&J Becvar, L.P. and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 4.3 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.16	Patent License Agreement between the Board of Regents of The University of Texas Systems and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 10.12 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)

Table of Contents

Exhibit Number	Description
10.17	Stock Redemption Agreement, dated June 18, 2008 between ChromaDex, Inc. and Bayer Innovation GmbH (formerly named Bayer Innovation Beteiligungsgesellschaft mbH) (incorporated by reference from, and filed as Exhibit 10.13 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.18	Promissory Note, dated June 18, 2008 between ChromaDex, Inc. as borrower and Bayer Innovation GmbH as lender. (incorporated by reference from, and filed as Exhibit 10.14 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.19	Technology License Agreement dated June 30, 2008 between The Research Foundation of the State University of New York and ChromaDex, Inc.* (incorporated by reference from, and filed as Exhibit 10.1 to the Company s Quarterly Report on Form 10-Q filed with the Commission on August 12, 2008)
10.20	Subscription Agreement, dated November 29, 2009, between Jinke Group (Hong Kong) Ltd and ChromaDex Corporation (incorporated by reference from, and filed as Exhibit 10.1 to the Company s Current Report on Form 8-K filed with the Commission on December 3, 2009)
21.1	Subsidiaries of ChromaDex (incorporated by reference from, and filed as Exhibit 21.1 to the Company s Current Report on Form 8-K filed with the Commission on June 24, 2008)
23.1	Consent of McGladrey & Pullen, LLP, Independent Registered Public Accounting Firm
31.1	Certification of the Chief Executive Officer pursuant to §240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended
31.2	Certification of the Chief Financial Officer pursuant to §240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended
32.1	Certification pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

(1) Plan and related Forms were assumed by ChromaDex Corporation pursuant to Agreement and Plan of Merger, dated as of May 21, 2008, among ChromaDex Corporation (formerly Cody Resources, Inc.), CDI Acquisition, Inc. and ChromaDex, Inc.

\+ Indicates management contract or compensatory plan or arrangement.

* This Exhibit has been granted confidential treatment and has been filed separately with the Commission. The confidential portions of this Exhibit have been omitted and are marked by an asterisk.