

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MAY 2, 2009.

OR

[] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____.

Commission File Number: 0-1455

OPT-SCIENCES CORPORATION

(Exact name of issuer as specified in its charter)

New Jersey

(State or other jurisdiction of
incorporation or organization)

21-0681502

(I.R.S. Employer
Identification No.)

1912 Bannard Street, Cinnaminson, New Jersey 08077

(Address of principal executive offices)

(856) 829-2800

Issuer's telephone number

Indicate by check mark whether the registrant (1) 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES [] NO [X]

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

Large accelerated filer ☐
Non-accelerated filer (Do not check if ☐
smaller reporting company)

Accelerated filer ☐
Smaller reporting company ☒

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date: 775,585 Shares of Common Stock, par value \$0.25, were outstanding as of May 2, 2009.

FORM 10-Q SECOND QUARTER REPORT - FISCAL YEAR 2009
OPT-SCIENCES CORPORATION AND SUBSIDIARY

TABLE OF CONTENTS

	Page
<u>PART I FINANCIAL INFORMATION</u>	
<u>Item 1 .Financial Statements</u>	3
<u>Consolidated Balance Sheets for May 2, 2009(unaudited) and November 1, 2008</u>	3
<u>Consolidated Statements of Income and Retained Earnings (unaudited) for thirteen and twenty-six weeks ended May 2, 2009 and thirteen and twenty-six weeks ended April 26, 2008</u>	5
<u>Consolidated Statements of Cash Flows (unaudited) for thirteen weeks ended May 2, 2009 and thirteen weeks ended April 26, 2008</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Result of Operations</u>	8
<u>Item 3 Quantitative and Qualitative Disclosure About Market Risk</u>	11
<u>Item 4. Controls and Procedures</u>	11
<u>PART II OTHER INFORMATION</u>	12
<u>Item 1. Legal Proceedings</u>	12
<u>Item 1A. Risk Factors</u>	12
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	13
<u>Item 3. Defaults Upon Senior Securities</u>	13
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	13
<u>Item 5. Other Information</u>	13
<u>Item 6. Exhibits</u>	13
<u>Signatures</u>	13
<u>Exhibit 31.1</u>	14
<u>Exhibit 32.1</u>	15

PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Opt-Sciences Corporation
CONSOLIDATED BALANCE SHEETS

ASSETS		
	<u>May 2, 2009</u>	<u>November 1, 2008</u>
	<u>(Unaudited)</u>	
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,867,692	\$ 6,926,000
Trade accounts receivable	571,536	1,119,550
Inventories	657,422	611,180
Prepaid expenses	12,373	18,294
Prepaid income taxes	229,855	-0-
Loans and exchanges	6,743	6,768
Deferred income taxes	103,363	112,216
Marketable securities	<u>592,680</u>	<u>670,318</u>
Total current assets	<u>9,041,664</u>	<u>9,464,326</u>
PROPERTY AND EQUIPMENT		
Land	114,006	114,006
Building and improvements	606,244	567,624
Machinery and equipment	2,078,502	1,559,418
Small tools	53,580	53,580
Furniture and fixtures	14,683	8,775
Office equipment	76,742	74,611
Automobiles	<u>1,211</u>	<u>71,211</u>
Total property and equipment	3,014,968	2,449,225
Less: accumulated depreciation	<u>1,854,082</u>	<u>1,757,880</u>
Net property and equipment	<u>1,160,886</u>	<u>691,345</u>
OTHER ASSETS		
Deposits	<u>2,837</u>	<u>244,904</u>
Total assets	<u>\$ 10,205,387</u>	<u>\$ 10,400,575</u>

Opt-Sciences Corporation
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>May 2, 2009</u>	<u>November 1, 2008</u>
	<u>(Unaudited)</u>	
CURRENT LIABILITIES		
Accounts payable - trade	\$ 107,758	\$ 203,282
Accrued income taxes	-0-	40,912
Accrued salaries and wages	89,315	268,758
Accrued professional fees	61,750	50,500
Other current liabilities	<u>18,032</u>	<u>29,546</u>
Total current liabilities	<u>276,855</u>	<u>592,998</u>
STOCKHOLDERS' EQUITY		
Common capital stock - par value		
\$.025 per share - authorized		
and issued 1,000,000 shares	250,000	250,000
Additional paid in capital	272,695	272,695
Retained earnings	9,778,291	9,669,071
Accumulated other comprehensive income:		
Unrealized holding (loss)		
on marketable securities	(185,236)	(196,971)
Less treasury stock at cost -		
224,415 shares	<u>(187,218)</u>	<u>(187,218)</u>
Total stockholders' equity	<u>9,928,532</u>	<u>9,807,577</u>
Total liabilities and stockholders' equity	<u>\$ 10,205,387</u>	<u>\$ 10,400,575</u>

Opt-Sciences Corporation
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS (unaudited)

	Thirteen Weeks Ended May 2, 2009	Thirteen Weeks Ended April 26, 2008	Twenty-Six Weeks Ended May 2, 2009	Twenty-Six Weeks Ended April 26, 2008
Net Sales	\$ 1,143,751	\$ 1,625,429	\$ 2,585,850	\$ 3,004,383
Cost of Sales	<u>891,901</u>	<u>1,128,038</u>	<u>2,034,216</u>	<u>2,027,963</u>
Gross profit on sales	<u>251,850</u>	<u>497,391</u>	<u>551,634</u>	<u>976,420</u>
Operating Expenses				
Sales & delivery	1,998	14,910	7,088	22,909
General & Administrative	<u>180,291</u>	<u>204,158</u>	<u>388,129</u>	<u>480,256</u>
Total operating expenses	<u>182,289</u>	<u>219,068</u>	<u>395,217</u>	<u>503,165</u>
Operating income	69,561	278,323	156,417	473,255
Other Income	<u>18,231</u>	<u>54,158</u>	<u>17,803</u>	<u>118,801</u>
Net income before taxes	87,792	332,481	174,220	592,056
Federal and State Income Taxes	<u>32,500</u>	<u>143,000</u>	<u>65,000</u>	<u>254,600</u>
Net income	55,292	189,481	109,220	337,456
Retained Earnings - beginning of period	<u>9,722,999</u>	<u>8,958,351</u>	<u>9,669,071</u>	<u>8,810,376</u>
Retained Earnings - end of period	<u>\$ 9,778,291</u>	<u>\$ 9,147,832</u>	<u>\$ 9,778,291</u>	<u>\$ 9,147,832</u>
Earnings per Share of Common Stock	<u>0.07</u>	<u>0.24</u>	<u>0.14</u>	<u>0.44</u>
Average shares of stock outstanding	<u>775,585</u>	<u>775,585</u>	<u>775,585</u>	<u>775,585</u>

Opt-Sciences Corporation
CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

	Twenty-six Weeks Ended May 2, 2009	Twenty-six Weeks Ended April 26, 2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 109,220	\$ 337,456
Adjustments to reconcile net income to net cash (used) by operating activities:		
Depreciation	96,202	53,882
Loss on sale of securities	54,600	18,397
Decrease (increase) in:		
Accounts receivable	548,014	(188,539)
Inventories	(46,242)	(47,004)
Prepaid expenses	5,921	8,078
Prepaid income taxes	(229,855)	(27,920)
Loans and exchanges	25	(212)
(Decrease) increase in:		
Accounts payable	(95,524)	(22,084)
Accrued income taxes	(40,912)	(267,980)
Accrued salaries and wages	(179,443)	(122,464)
Accrued professional fees	11,250	(15,925)
Other current liabilities	<u>(11,514)</u>	<u>7,364</u>
New cash provided (used) by operating activities	<u>221,742</u>	<u>(266,951)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(323,676)	(64,146)
Purchases of securities	(39,705)	(236,072)
Proceeds from sale of securities	83,331	93,221
Net cash (used) by investing activities	<u>(280,050)</u>	<u>(206,997)</u>
(Decrease) in cash	(58,308)	(473,948)
Cash and cash equivalents at beginning of period	<u>6,926,000</u>	<u>6,777,104</u>
Cash and cash equivalents at end of period	<u>\$ 6,867,692</u>	<u>\$ 6,303,156</u>
SUPPLEMENTAL DISCLOSURES:		
Income taxes paid	<u>\$ 335,767</u>	<u>\$ 550,500</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements include the accounts of Opt-Sciences Corporation, Inc. and its wholly-owned subsidiary, O&S Research, Inc. All significant intercompany accounts and transactions have been eliminated in consolidation.

These consolidated financial statements have been prepared by the Company, without audit, and reflect normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the first six months of the Company's fiscal year 2009. These consolidated financial statements do not include all disclosures associated with annual consolidated financial statements and, accordingly, should be read in conjunction with footnotes contained in the Company's consolidated financial statements for the year ended November 1, 2008 together with the auditors' report filed as part of the Company's 2008 Annual Report on Form 10-KSB.

The preparation of these consolidated financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis 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.

2. INVENTORIES

Inventories consisted of the following:

	May 2, 2009 (Unaudited)	November 1, 2008
Raw materials and supplies	\$ 216,016	\$ 216,404
Work in progress	369,188	328,852
Finished goods	<u>72,218</u>	<u>65,924</u>
Total Inventory	\$ 657,422	\$ 611,180

End of quarter inventories are stated at the lower of cost (first-in, first-out) or market. The inventory appearing on unaudited quarterly financial statements and in this Form 10-Q is based on estimates derived from an unaudited physical inventory count of work-in-progress and raw materials. A physical inventory is conducted at the end of the fiscal year in connection with the Company's audited financial statements and preparation of its Form 10-K. The Company provides for estimated obsolescence on unmarketable inventory based upon assumptions about future demand and market conditions. If actual demand and market conditions are less favorable than those projected by management, additional inventory write downs may be required. Inventory, once written down, is not subsequently written back up, as these adjustments are considered permanent adjustments to the carrying value of the inventory.

3. REVENUE RECOGNITION

The Company recognizes revenue in accordance with U.S. GAAP and SEC Staff Accounting Bulletin ("SAB") No. 104, Revenue Recognition. SAB No. 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the price to the buyer is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's

judgments regarding the fixed nature of the price to the buyer charged for products delivered or services rendered and collectability of the sales price. The Company assesses credit worthiness of customers based upon prior history with the customer and assessment of financial condition. The Company's shipping terms are customarily FOB shipping point.

4. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2006, the Financial Standards Accounting Board (FASB) issued interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB statement No. 109. Interpretation 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements in accordance with Statement 109 and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Additionally, Interpretation 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interpretation 48 is effective for fiscal years beginning after December 15, 2006 with early adoption permitted. We adopted Interpretation 48 for our fiscal year 2008, and it had no impact on our current financial statements.

[Table of Contents](#)

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

We make statements in this Report, and we may from time to time make other statements, regarding our outlook or expectations for earnings, revenues, expenses and/or other matters regarding or affecting the Company that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions. Forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Forward-looking statements speak only as of the date they are made. We do not assume any duty and do not undertake to update our forward-looking statements. Actual results or future events could differ, possibly materially, from those that we anticipated in our forward-looking statements, and future results could differ materially from our historical performance. Our forward-looking statements are subject to risks and uncertainties including those discussed in the Risk Factors section of this Quarterly Report and in our other filings with the SEC.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis 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. Specifically, inventory is estimated quarterly and reconciled at the end of the fiscal year when a comprehensive physical count is conducted (also see Notes to Consolidated Financial Statements, Note 1 Summary of Significant Accounting Policies and Note 2 Inventories).

EXECUTIVE SUMMARY

Opt-Sciences Corporation, through its wholly owned subsidiary, O & S Research, Inc., both New Jersey corporations, manufactures anti-glare and transparent conductive optical coatings which are deposited on glass used primarily to cover instrument panels in aircraft cockpits. The Company's business is highly dependent on a robust commercial, business, regional and military aircraft market. The international financial crisis has affected purchasers of commercial, business and regional aircraft by inhibiting their ability to finance and their desire to purchase new airplanes. We recognized second quarter sales of \$1,143,751 and net income of \$55,292. Sales are down 21% from the first quarter of Fiscal Year 2009. Compared to the second quarter of 2008, sales are down 30%. We currently expect that third quarter sales may be less than \$1,000,000. All of our markets continue to weaken and they may deteriorate further than we project. During the second quarter of 2009, the Company booked \$1,063,000 in new orders compared to \$1,136,000 in new orders booked for the first quarter of 2009 and \$2,232,000 for the second quarter of FY 2008. Our backlog of unshipped orders was approximately \$1,397,000 at the end of the second quarter, down approximately 5.5% from \$1,478,000 at the end of the first quarter of 2009. We generally have a four to twelve week delivery cycle depending on product complexity, available plant capacity and required lead time for specialty raw materials such as polarizers or filter glass. Our sales tend to fluctuate from quarter to quarter because all orders are custom manufactured and customer orders are generally scheduled for delivery based on our customer's need date and not based on our ability to make shipments. In the current economic environment, customers are less inclined to book new orders and more inclined to defer delivery on orders already booked. Accordingly, backlog of unshipped orders is a less reliable indicator of deliveries expected to be made in the following quarter. Since the Company has two customers that together represent over 60% of sales, any significant change in the requirements of either of those customers has a direct impact on our revenue for the quarter.

RESULTS OF OPERATIONS

THIRTEEN WEEKS ENDED MAY 2, 2009 COMPARED WITH THIRTEEN WEEKS ENDED APRIL 26, 2008

Net Sales.

Net sales for the second quarter ended May 2, 2009 were \$1,143,751 which is \$481,678 and 30% less than the net sales of \$1,625,429 for the same quarter last year. This significant decrease in sales is primarily the result of the rapid decline in business jet demand as a result of the deterioration of the global economy.

Cost of Sales.

Cost of sales for the quarter ended May 2, 2009 decreased \$236,137 or 21% to 891,901 or 78% of sales, compared to \$1,128,038 or 65% of sales, for the second quarter last year. This decrease in cost of sales is primarily related to the decline in sales. The cost of sales as a percentage of sales has increased because the Company is operating less efficiently than during the same period last year. We have downsized operations and capacity to current levels making sure not to jeopardize our ongoing operations. This was necessary as an adjustment to the rapid deterioration of the business jet market caused by the downturn in the global economy. Cost of sales is comprised of raw materials, manufacturing direct labor and overhead expenses. The overhead portion of cost of sales is primarily comprised of salaries, benefits, building expenses, production supplies, and maintenance costs related to our production, inventory control and quality departments.

Gross Profit.

Gross profit for the quarter ended May 2, 2009 decreased \$245,541 to \$251,850 or 22% of sales from \$497,391 or 30% of sales reported for the same quarter last year, primarily for the reasons referred to in the above paragraph.

Operating Expenses.

Operating expenses decreased \$36,779 or 36% to \$182,289 from \$219,068 for the same quarter last year. The primary reason was elimination of the accrual of year end employee bonuses in light of the current and future economic challenges the company faces. Operating expenses consist of marketing and business development expenses, professional expenses, salaries and benefits for executive and administrative personnel, hiring, legal, accounting, and other general corporate expenses.

Operating Income.

The Company realized operating income of \$69,561 or 6% of sales, for the quarter ended May 2, 2009, compared to operating income of \$278,323 or 17.1% of sales, for the same quarter last year.

Other Income (Expenses).

Other income of \$18,231 for the second quarter of fiscal year 2009 decreased \$35,927 from \$54,158 for the same quarter last year, primarily due to losses realized on sale of securities.

Provisions for Income Tax.

Income tax expense for the second quarter ended May 2, 2009 was \$32,500 or 37% of pre-tax income, compared to \$143,000 and 43% of pre-tax income for the second quarter ended April 26, 2008. This reduction in average income tax rate is due to a reduction in estimated effective income resulting in a lower percentage of income being taxed at the highest rate.

Net Income

Net income for the second quarter ended May 2, 2009 was \$55,292 or \$.07 per share, compared to net income of \$189,481 or \$.24 per share, for the second quarter ended April 26, 2008.

SIX MONTHS ENDED MAY 2, 2009 COMPARED WITH SIX MONTHS ENDED APRIL 26, 2008

Net Sales.

Net sales for the six months ended May 2, 2009 were \$2,585,850 which is \$418,533 and 14% less than the net sales of \$3,004,383 for the same six month period last year. This is primarily due to reduced customer demand for the company's products in the current economic downturn.

Cost of Sales.

Cost of sales for the six months ended May 2, 2009 was \$2,034,216 or 79% of sales, compared to \$2,027,963 or 67.5% of sales, for the same period last year. The increase in cost of sales by \$6,253 despite the reduction in sales is directly related to the buildup of excess capacity during the first quarter and the inability to quickly respond as sales dropped and orders were either canceled or deferred.

Gross Profit.

Gross profit for the six months ended May 2, 2009 decreased \$424,786 to \$551,634 or 21% of sales, from \$976,420 or 32.5% of sales, reported for the same period last year. The decrease in total gross profit, and the decline in gross profit as a percent of revenues, was primarily a result of the rapid decline in sales and the loss of significant economies of scale.

Operating Expenses.

Operating expenses decreased by \$107,948 and 22% from \$503,165 during the six month period ended April 26, 2008 to \$395,217 during the six month period ended May 2, 2009 primarily due to decreased sales.

Operating Income.

The Company realized operating income of \$156,417 or 6% of sales, for the six month period ended May 2, 2009, compared to operating income of \$473,255 or 15.8% of sales, for the same period last year. The \$316,838 decrease is the result of reduced gross margin noted above.

Other Income.

Other income of \$17,803 for the six month period ended May 2, 2009 decreased \$100,998 from \$118,801 for the same period for last year, primarily due to losses realized on sale of securities.

Income Tax.

Income tax expense for the six month period ended May 2, 2009 was \$65,000 and 37% of total income, compared to \$254,600 and 43% of total income for the six month period ended April 26, 2008.

Net Income/Loss.

Net income for the six month period ended May 2, 2009 declined \$228,236 and 68% to \$109,220 or \$0.14 per share, compared to net income of \$337,456 or \$0.44 per share for the prior comparable period.

Financial Condition

The Company utilizes its working capital to finance current operations and capital improvements. Cash and cash equivalents have decreased from \$6,926,000 at the end of the fiscal year on November 1, 2008 to \$6,867,692 for the sixth month period ended May 2, 2009. Because of market conditions at this time, the Company has decided to postpone an order for another coating machine until firmer guidance can be provided on the recovery of the economy, specifically the aerospace sector. The decrease in cash and cash equivalents is primarily a result of the purchase and installation of a vacuum coating machine in the first quarter of this fiscal year, as well as periodic fluctuations in net income and net receipts, if any, from trading in the Company's portfolio of securities. The Company maintains a strong liquidity in its current position in order to improve its ability to deal with the risks and uncertainties identified below.

[Table of Contents](#)

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a “smaller reporting Company” as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by Item 3.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this quarterly report. Based on such evaluation, our CEO and CFO has concluded that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures are effective. Disclosure controls and procedures are controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and include controls and procedures designed to ensure that information we are required to disclose in such reports is accumulated and communicated to management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have not been any changes in our internal control over financial reporting that occurred during the quarter ended May 2, 2009 or thereafter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

[Table of Contents](#)

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently subject to any litigation.

ITEM 1A RISK FACTORS

The Company faces numerous financial challenges and risks. In our view, the following are among the most important:

- The longevity and ultimate depth of financial declines related to our current economic recession are not known; however, that recession is having a severe and adverse impact on our customers and market.
- The turbulence in financial markets is adversely affecting our investment portfolio, which may continue to decline in value.
- Our deposits in bank accounts are concentrated in two banks and such deposits are not fully covered by deposit insurance.
- The Company's historic aircraft instrument glass wedges are being purchased less frequently than LCD displays and are becoming technologically obsolete.
- LCD displays now commonly used for new aircraft instruments are larger in size than the smaller, specialized lenses they replace. The LCD display design requires a simpler less expensive cover glass than the Company manufactures. Businesses not active in the glass wedge market can more easily manufacture the cover glasses for LCDs in competition with the Company.
- The Company has become more active in the market for providing cover glass with both conductive coating and anti reflective coating. In anticipation of increased demand for such products, the Company has purchased and installed a new vacuum coating chamber. If the Company expectations for demand are incorrect, the Company will have devoted significant resources to installing unnecessary manufacturing capacity.
- We face increasing competition from established companies that have significantly greater resources. Certain of our competitors enjoy substantial competitive advantages, such as:
 - (a) Greater corporate name recognition, larger marketing budgets and greater resources,
 - (b) Established marketing relationships and access to larger customer bases, and
 - (c) Substantially greater financial, technical and other resources.
- We expect that Section 404 of the Sarbanes-Oxley Act of 2002 will require that our public accounting firm audit our internal controls in a subsequent fiscal year. The Company expects its operating

expenses will increase further as a result of the costs associated with implementation of and maintaining compliance with Section 404 and other provisions of the Sarbanes-Oxley Act.

[Table of Contents](#)

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

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

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

We did not solicit proxies for the Annual Stockholders Meeting held on March 25, 2009. The Board of Directors, as previously reported to the SEC, was reelected in its entirety with 535,640 votes cast in support of the reelection of each of the directors.

ITEM 5. OTHER INFORMATION

The registrant does not have in place procedures by which stockholders may recommend nominees to the registrant's Board of Directors.

ITEM 6. EXHIBITS

(A) Exhibits

The Documents listed below are being filed as exhibits herewith.

<u>Exhibit Number</u>	<u>Description of Document</u>
31.1	Officer's Certificate pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Officer's Certificate pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNITURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunder duly authorized.

OPT-SCIENCES CORORATION

/s/ Anderson L. McCabe

Anderson L. McCabe
Chief Excecutive Officer &
Chief Financial Officer
June 15, 2009

EXHIBIT 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anderson L. McCabe, as CEO and CFO of Opt-Sciences Corporation, certify that:

1. I have reviewed this quarterly report of Opt-Sciences Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Opt-Sciences Corporation as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Opt-Sciences Corporation and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to Opt-Sciences Corporation, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of Opt-Sciences Corporation's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in Opt-Sciences Corporation's internal control over financial reporting that occurred during Opt-Sciences Corporation's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, Opt-Sciences Corporation's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to Opt-Sciences Corporation's auditors and the audit committee of Opt-Sciences Corporation's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect Opt-Sciences Corporation's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in Opt-Sciences Corporation's internal control over financial reporting.

/s/ Anderson L. McCabe

Anderson L. McCabe
Chief Executive Officer &
Chief Financial Officer
June 15, 2009

EXHIBIT 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

I, Anderson L. McCabe as CEO and CFO of Opt-Sciences Corporation (the "Company"), certify to my knowledge, pursuant to section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 2, 2009 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

/s/ Anderson L. McCabe

Anderson L. McCabe
Chief Executive Officer &
Chief Financial Officer
June 15, 2009