

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MAY 1, 2010.**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____.**

Commission File Number: 0-1455

OPT-SCIENCES CORPORATION

(Exact name of registrant as specified in its charter)

| | |
|--|--|
| New Jersey (State or other jurisdiction of incorporation or organization) | 2100-0681502 (I.R.S. Employer Identification No.) |
|--|--|

1912 Bannard Street, Cinnaminson, New Jersey 08077
(Address of principal executive offices)

(856) 829-2800
(Registrant's telephone number, including area code)

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 ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

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

| | | | |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |

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

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 \$.025, were outstanding as of June 14, 2010.

**FORM 10-Q SECOND QUARTER REPORT - FISCAL YEAR 2010
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 at May 1, 2010 (unaudited) and October 31, 2009</u> | 3 |
| <u>Consolidated Statements of Income and Retained Earnings (unaudited) for thirteen and twenty-six weeks ended May 1, 2010 and thirteen and twenty-six weeks ended May 2, 2009</u> | 5 |
| <u>Consolidated Statements of Cash Flows (unaudited) for twenty-six weeks ended May 1, 2010 and twenty-six weeks ended May 2, 2009</u> | 6 |
| <u>Notes to Consolidated Financial Statements</u> | 7 |
| <u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u> | 9 |
| <u>Item 3. Quantitative and Qualitative Disclosure About Market Risk</u> | 12 |
| <u>Item 4T. Controls and Procedures</u> | 12 |
| <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> | 12 |
| <u>Item 3. Defaults Upon Senior Securities</u> | 13 |
| <u>Item 4. (Removed and Reserved)</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

| | May 1, 2010 (Unaudited) | October 31, 2009 |
|------------------------------------|----------------------------|-------------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$7,802,534 | \$7,606,849 |
| Trade accounts receivable | 640,111 | 594,167 |
| Inventories | 459,182 | 558,609 |
| Prepaid expenses | 14,122 | 13,482 |
| Prepaid income taxes | 65,529 | 138,200 |
| Employee Advances | 12,263 | 10,058 |
| Marketable securities | <u>503,088</u> | <u>469,468</u> |
| Total current assets | <u>9,496,829</u> | <u>9,390,833</u> |
| PROPERTY AND EQUIPMENT | | |
| Land | 114,006 | 114,006 |
| Building and improvements | 606,244 | 606,244 |
| Machinery and equipment | 2,105,443 | 2,094,592 |
| Small tools | 53,580 | 53,580 |
| Furniture and fixtures | 11,803 | 10,438 |
| Office equipment | 82,651 | 82,651 |
| Automobiles | <u>71,211</u> | <u>71,211</u> |
| Total property and equipment | 3,044,938 | 3,032,722 |
| Less: accumulated depreciation | <u>2,029,565</u> | <u>1,950,701</u> |
| Net property and equipment | <u>1,015,373</u> | <u>1,082,021</u> |
| OTHER ASSETS | | |
| Deposits | <u>2,837</u> | <u>2,837</u> |
| Total assets | <u>\$10,515,039</u> | <u>\$10,475,691</u> |

Opt-Sciences Corporation
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

| | May 1, 2010 (Unaudited) | October 31, 2009 |
|--|----------------------------|----------------------|
| CURRENT LIABILITIES | | |
| Accounts payable – trade | \$ 61,350 | \$ 41,761 |
| Accrued salaries and wages | 68,658 | 112,636 |
| Accrued professional fees | 37,369 | 69,695 |
| Deferred income taxes | 59,431 | 33,651 |
| Other current liabilities | <u>3,413</u> | <u>2,310</u> |
| Total current liabilities | <u>230,221</u> | <u>260,053</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 | 9,975,859 | 9,940,851 |
| Accumulated other comprehensive income: | | |
| Unrealized holding (loss) | | |
| on marketable securities | (26,518) | (60,690) |
| Less treasury stock at cost - 224,415 shares and 224,415 shares | <u>(187,218)</u> | <u>(187,218)</u> |
| Total stockholders' equity | <u>10,284,818</u> | <u>10,215,638</u> |
| Total liabilities and stockholders' equity | <u>\$10,515,039</u> | <u>\$ 10,475,691</u> |

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

| | Thirteen Weeks Ended May 1, 2010 | Thirteen Weeks Ended May 2, 2009 | Twenty-Six Weeks Ended May 1, 2010 | Twenty-Six Weeks Ended May 2, 2009 |
|-------------------------------------|--|--|--|--|
| NET SALES | \$ 1,171,973 | \$ 1,143,751 | \$ 1,943,659 | \$ 2,585,850 |
| COST OF SALES | <u>892,627</u> | <u>891,901</u> | <u>1,538,775</u> | <u>2,034,216</u> |
| Gross profit on sales | <u>279,346</u> | <u>251,850</u> | <u>404,884</u> | <u>551,634</u> |
| OPERATING EXPENSES | | | | |
| Sales & delivery | 5,707 | 1,998 | 13,095 | 7,088 |
| General and administrative | <u>175,857</u> | <u>180,291</u> | <u>368,423</u> | <u>388,129</u> |
| Total operating expenses | <u>181,564</u> | <u>182,289</u> | <u>381,518</u> | <u>395,217</u> |
| Operating income | 97,782 | 69,561 | 23,366 | 156,417 |
| OTHER INCOME | <u>15,385</u> | <u>18,231</u> | <u>38,042</u> | <u>17,803</u> |
| Net income before taxes | 113,167 | 87,792 | 61,408 | 174,220 |
| FEDERAL AND STATE INCOME TAXES | <u>48,700</u> | <u>32,500</u> | <u>26,400</u> | <u>65,000</u> |
| Net income | 64,467 | 55,292 | 35,008 | 109,220 |
| RETAINED EARNINGS - | | | | |
| beginning of period | <u>9,911,392</u> | <u>9,722,999</u> | <u>9,940,851</u> | <u>9,669,071</u> |
| RETAINED EARNINGS - | | | | |
| end of period | <u>\$ 9,975,859</u> | <u>\$ 9,778,291</u> | <u>\$ 9,975,859</u> | <u>\$ 9,778,291</u> |
| EARNINGS (LOSS) PER SHARE OF | | | | |
| COMMON STOCK | <u>\$ 0.08</u> | <u>\$ 0.07</u> | <u>\$ 0.04</u> | <u>\$ 0.14</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 1, 2010 | Twenty Six Weeks Ended May 2, 2009 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 35,008 | \$ 109,220 |
| Adjustments to reconcile net income to net cash (used) provided by operating activities: | | |
| Depreciation | 78,864 | 96,202 |
| Loss on sale of securities | 4,165 | 54,600 |
| Decrease (increase) in: | | |
| Trade accounts receivable | (45,944) | 548,014 |
| Inventories | 99,427 | (46,242) |
| Prepaid expenses | (640) | 5,921 |
| Prepaid taxes | 72,671 | (229,855) |
| Employee Advances | (2,205) | 25 |
| (Decrease) increase in: | | |
| Accounts payable | 19,589 | (95,524) |
| Accrued salaries and wages | (43,978) | (179,443) |
| Accrued professional fees | (32,326) | 11,250 |
| Accrued income taxes | -0- | (40,912) |
| Other current liabilities | <u>1,103</u> | <u>(11,514)</u> |
| Net cash provided by operating activities | <u>185,734</u> | <u>221,742</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additions to property and equipment | (12,216) | (565,743) |
| Purchases of securities | (2,833) | (39,705) |
| Proceeds from sales of securities | 25,000 | 83,331 |
| Deposits | <u>-0-</u> | <u>242,067</u> |
| Net cash provided (used) by investing | <u>9,951</u> | <u>(280,050)</u> |
| Increase (decrease) in cash | 195,685 | (58,308) |
| Cash and cash equivalents at beginning of period | <u>7,606,849</u> | <u>6,926,000</u> |
| Cash and cash equivalents at end of period | \$ <u>7,802,534</u> | \$ <u>6,867,692</u> |
| SUPPLEMENTAL DISCLOSURES: | | |
| Income taxes paid | \$ <u>20,811</u> | \$ <u>335,767</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 statement of the results for the first six months of the Company's fiscal year 2010. 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 October 31, 2009 together with the auditors' report filed as part of the Company's 2009 Annual Report on Form 10-K.

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 1, 2010 (Unaudited) | October 31, 2009 |
|----------------------------|----------------------------|------------------|
| Raw materials and supplies | \$ 150,904 | \$ 221,791 |
| Work in progress | 177,305 | 182,607 |
| Finished goods | 130,973 | 154,211 |
| Total Inventory | \$ 459,182 | \$ 558,609 |

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. 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. The Company conducts an audited physical inventory at the end of the fiscal year in connection with its audited financial statements and preparation of its Form 10-K.

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) collectibility 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 collectibility 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. FINANCIAL INSTRUMENTS

SFAS No. 157 (ASC 820), "Fair Value Measurements", requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. SFAS No. 157 (ASC 820) establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

SFAS No. 157 (ASC 820) prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, cash equivalents, marketable securities, trade accounts receivable, accounts payable and accrued liabilities. Pursuant to SFAS No. 157 (ASC 820), the fair value of our cash equivalents and marketable securities is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of all of the other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

In January 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-06 (ASU 2010-06), Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements. This amendment to Topic 820 has improved disclosures about fair value measurements on the basis of input received from the users of financial statements. This is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in

Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Early adoption is permitted. The Company does not expect the provisions of ASU 2010-06 to have a material effect on the financial position, results of operations or cash flows of the Company.

5. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued SFAS No. 168 (ASC Topic 105), "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162" ("SFAS No. 168"). Under SFAS No. 168 the "FASB Accounting Standards Codification" ("Codification") will become the source of authoritative US GAAP to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. SFAS No. 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Codification superseded all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. SFAS No. 168 became effective for the Company's interim quarterly period beginning July 1, 2009 and did not have a material impact on our financial statements.

6. SUBSEQUENT EVENTS

The Company is not aware of any significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on our financial position or results of operations.

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 the following principal risks and uncertainties.

- Uncertain demand for the Company's products because of the current international financial crisis;
- Risks associated with dependence on a few major customers; and
- The performance, financial strength and reliability of the Company's vendors.

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. We recorded second quarter sales of \$1,171,973 and net income of \$64,467. Sales are up 52% or \$400,287 from the first quarter of Fiscal Year 2010. Compared to the second quarter of 2009, sales are up 2.5%. We currently expect third quarter sales to be approximately \$1,100,000 and to be profitable. All of our markets had been very weak, but now we hope to see some improvement of sales in future quarters. We look for sale of more conductive coated instrument panels and slightly improved sales in all our major markets. The international financial crisis continues to hamper aircraft users and purchasers by inhibiting their ability to finance and their desire to purchase new airplanes and their ability and desire to upgrade existing aircraft. During the second quarter of 2010, the Company booked \$1,126,000 in new orders compared to \$1,307,000 in new orders booked for the first quarter of 2010 and \$1,063,000 in new orders booked in the second quarter of 2009. Our backlog of unshipped orders was approximately \$1,509,000 at the end of second quarter, down approximately \$45,000 from the end of the first quarter of 2010 and up approximately \$112,000 from the second 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. 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 1, 2010 COMPARED WITH THIRTEEN WEEKS ENDED MAY 2, 2009

Net Sales

Net sales for the second quarter ended May 1, 2010 were \$1,171,973 which is \$28,222 and 2.5% higher than the net sales of \$1,143,751 for the same quarter last year. This small increase in sales is directly related to the very weak market for aircraft and aircraft components in the stressed and fragile international economy.

Cost of Sales

Cost of sales for the quarter ended May 1, 2010 increased \$726 to \$892,627 or 76% of sales, compared to \$891,901 or 78% of sales, for the second quarter last year. The increase in cost of sales was due primarily to the small increase in sales. 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 1, 2010 increased \$27,496 to \$279,346 or 26% of sales from \$251,850 or 22% of sales reported for the same quarter last year, primarily for the reasons included in the above paragraph.

Operating Expenses

Operating expenses decreased \$725 to \$181,564 from \$182,289 for the same quarter last year. 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 \$97,782, or 8% of sales for the quarter ended May 1, 2010, compared to operating income of \$69,561 or 6% of sales, for the same quarter last year.

Other Income

Other income of \$15,385 for the second quarter of fiscal year 2010 dropped by \$2,846 from \$18,231 for the same quarter last year primarily due to lower interest rates on cash deposits.

Provisions for Income Taxes

Income tax expense for the second quarter ended May 1, 2010 was \$48,700 or 43% of pre-tax income, compared to \$32,500 and 43% of pre-tax income for the second quarter ended May 2, 2009.

Net Income

Net income for the second quarter ended May 1, 2010 was \$64,467 or \$.08 per share, compared to net income of \$55,292 or \$.07 per share, for the second quarter ended May 2, 2009.

SIX MONTHS ENDED MAY 1, 2010 COMPARED WITH SIX MONTHS ENDED MAY 2, 2009

Net Sales.

Net sales for the six months ended May 1, 2010 were \$1,943,659 which is \$642,191 and 25% less than the net sales of \$2,585,850 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, particularly in the first quarter.

Cost of Sales.

Cost of sales for the six months ended May 1, 2010 was \$1,538,775 or 79% of sales, compared to \$2,034,216 or 79% of sales, for the same period last year. The decrease in cost of sales was primarily due to the drop in sales.

Gross Profit.

Gross profit for the six months ended May 1, 2010 decreased \$146,750 to \$404,884 or 21% of sales, from \$551,634 or 21% of sales, reported for the same period last year. The decrease in total gross profit was primarily a result of lower sales experienced in the first quarter.

Operating Expenses.

Operating expenses decreased by \$13,699 from \$395,217 during the six month period ended May 2, 2009 to \$381,518 during the six month period ended May 1, 2010.

Operating Income.

The Company realized operating income of \$23,366 or 1% of sales, for the six month period ended May 1, 2010, compared to operating income of \$156,417 or 6% of sales of sales, for the same period last year. The decrease is the result of significantly reduced sales and the operating loss incurred in the first

quarter.

Other Income.

Other income of \$38,042 for the six month period ended May 1, 2010 increased \$18,864 from \$17,803 for the same period for last year, because of losses on the sale of securities recognized in the first six months of 2009 and no losses on the sale of securities recognized in the first six months of 2010.

Income Tax.

Income tax expense for the six month period ended May 1, 2010 was \$26,400 and 43% of total income, compared to \$65,000 and 37% of total income for the six month period ended May 2, 2009.

Net Income/Loss.

Net income for the six month period ended May 1, 2010 declined \$78,811 and 72% to \$35,008 or \$0.04 per share, compared to net income of \$109,220 or \$0.14 per share for the prior comparable period, primarily because of the operating loss incurred in the first quarter of this year.

Financial Condition

The Company utilizes its working capital to finance current operations and capital improvements. Cash and cash equivalents have increased from \$7,606,849 at the end of the fiscal year on October 31, 2009 to \$7,802,534 for the sixth month period ended May 1, 2010. 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 increase in cash and cash equivalents is primarily a result of 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.

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 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. Based on an evaluation conducted as of May 1, 2010 by our management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), he has concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") are effective to reasonably ensure that information required to be disclosed in reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls. There were no changes in our internal controls during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, these controls over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently subject to any material litigation.

ITEM 1A RISK FACTORS

Smaller reporting companies are not required to provide the information required by this item.

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

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. (Removed and Reserved)

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) EXHIBITS

31.1 Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Office and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

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 Executive Officer &
Chief Financial Officer
June 14, 2010

EXHIBIT 31.1

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO
RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED 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 14, 2010

EXHIBIT 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

I, Anderson L. McCabe as CEO and CFO of Opt-Sciences Corporation, certify to my knowledge, pursuant to section 906 of the Sabanes-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 1, 2010 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Opt-Sciences Corporation.

/s/ Anderson L. McCabe

Anderson L. McCabe
Chief Executive Officer &
Chief Financial Officer
June 14, 2010