NUTRA PHARMA CORP
Form 10-Q
November 15, 2011

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

FORM 10-Q

(Mark One)

þ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended September 30, 2011

o TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file numbers 000-32141

NUTRA PHARMA CORP.
(Name of registrant as specified in its charter)

California	91-2021600
(State or Other Jurisdiction of Organization)	(IRS Employer Identification Number)
2776 University Drive, Coral Springs, Florida	33065
(Address of principal executive offices)	(Zip Code)

(954) 509-0911
(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 þ No o

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 þ No o

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 o Accelerated filer o

Non-accelerated filer o Smaller reporting company þ

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

The number of shares outstanding of the registrant's common stock, par value $0.001 per share, as of November 9, 2011, was 315,313,673.

TABLE OF CONTENTS

NUTRA PHARMA CORP.
Condensed Consolidated Balance Sheets

	September 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Current assets:		
Cash	$ 26,138	$ -
Accounts receivable	588,073	-
Research grant receivable	-	244,479
Inventory	793,596	253,042
Prepaid expenses and other current assets	42,252	140,081
Total current assets	1,450,059	637,602
Property and equipment, net	43,158	69,207
Other assets	46,621	46,621
TOTAL ASSETS	$ 1,539,838	$ 753,430
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 861,060	$ 710,638
Accrued expenses	960,180	949,824
Due to officers	1,168,547	1,205,382
Other loans payable	880,000	305,000
Total current liabilities	3,869,787	3,170,844
Derivative Warrant Liability	82,833	109,500
Stockholders' deficit:		
Common stock, $0.001 par value, 2,000,000,000 shares authorized; 305,113,673 and 280,091,899 shares issued and outstanding, respectively	305,114	280,092
Additional paid-in capital	29,086,445	27,039,801
Deferred compensation	(272,000)	(212,500)
Accumulated deficit	(31,532,341)	(29,634,307)
Total stockholders' deficit	(2,412,782)	(2,526,914)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,539,838	$ 753,430

See the accompanying notes to the condensed consolidated financial statements.

NUTRA PHARMA CORP.
Condensed Consolidated Statements of Operations - Unaudited

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net sales	$ 251,830	$ 359,936	$ 651,279	$ 1,382,056
Cost of sales	88,476	104,083	181,546	569,559
Gross profit	163,354	255,853	469,733	812,497
Costs and expenses:				
Selling, general and administrative - including stock based compensation of $174,583, $318,750, $572,666 and $823,750 respectively	791,776	892,115	2,235,457	2,920,993
Research and development	17,255	17,553	87,239	174,801
Interest expense	23,248	36,922	71,738	62,958
Total costs and expenses	832,279	946,590	2,394,434	3,158,752
Loss from Operations	(668,925)	(690,737)	(1,924,701)	(2,346,255)
Other Income				
Consulting Income	-	50,000	-	50,000
Derivative Income	7,167	-	26,667	-
Net Loss	$ (661,758)	$ (640,737)	$ (1,898,034)	$ (2,296,255)
Per share information - basic and diluted:				
Loss per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average common shares outstanding	300,561,055	276,175,232	292,830,924	274,055,747

See the accompanying notes to the condensed consolidated financial statements.

NUTRA PHARMA CORP.
Condensed Consolidated Statements of Cash Flows - Unaudited

	Nine Months Ended September 30,	
	2011	2010
Net cash used in operating activities	$ (1,912,629)	$ (1,216,012)
Cash flows from investing activities:		
Acquisition of property and equipment	$ (1,028)	$ (72,003)
Cash flows from financing activities:		
Common stock issued for cash	159,500	300,000
Repayment of stockholder loans	(688,425)	(156,400)
Proceeds from notes payable	575,000	-
Proceeds from common stock purchase agreement	1,280,000	230,000
Loans from stockholders	613,720	190,300
Net cash provided by financing activities	$ 1,939,795	$ 563,900
Net (decrease) increase in cash	26,138	(724,115)
Cash - beginning of period	-	802,875
Cash - end of period	$ 26,138	$ 78,760
Supplemental Cash Flow Information:		
Cash paid for interest	$ 33,868	$ 3,286
Cash paid for income taxes	$ -	$ -
Stock issued for deferred compensation	$ 544,000	$ 1,275,000

See the accompanying notes to the condensed consolidated financial statements.

NUTRA PHARMA CORP.
Notes to Condensed Consolidated Financial Statements - Unaudited
September 30, 2011

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Nutra Pharma Corp. ("Nutra Pharma" or "the Company") is a holding company that owns intellectual property and operations in the biotechnology industry. Nutra Pharma incorporated under the laws of the state of California on February 1, 2000, under the original name of Exotic-Bird.com.

Through its wholly-owned subsidiaries, ReceptoPharm, Inc. (“ReceptoPharm”) and Designer Diagnostics, Inc. (“Designer Diagnostics”), the Company conducts drug discovery research and development activities. In October 2009, the Company launched its first consumer product called Cobroxin, an over-the-counter pain reliever designed to treat moderate to severe chronic pain. In May 2010, the Company launched its second consumer product called Nyloxin, an over-the-counter pain reliever that is a stronger version of Cobroxin and is designed to treat severe chronic pain.

Principles of Consolidation

The condensed consolidated financial statements presented herein include the accounts of Nutra Pharma and its wholly-owned subsidiaries, Designer Diagnostics and ReceptoPharm.

All intercompany transactions and balances have been eliminated in consolidation.

Basis of Presentation

The condensed consolidated financial statements and notes are presented in accordance with the rules and regulations of the Securities and Exchange Commission and do not contain certain information included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2010. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and are of a normal, recurring nature. Interim results are not necessarily indicative of results for a full year. Therefore, the interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company’s 2010 Annual Report on Form 10-K.

Liquidity

The Company's condensed consolidated financial statements are presented on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has experienced a net loss of $1,898,034 for the nine months ended September 30, 2011 and has an accumulated deficit of $31,532,341 at September 30, 2011. In addition, the Company used $1,912,630 of cash for operations during the nine months ended September 30, 2011 and had working capital and stockholders’ deficits at September 30, 2011 of $2,419,728 and $2,412,782, respectively.

The Company currently does not have sufficient cash to sustain itself for the next quarter and will require additional financing in order to execute its operating plan and continue as a going concern. Management’s plan is to attempt to secure adequate funding to bridge the commercialization of its Cobroxin and Nyloxin products. Management cannot

predict whether additional financing will be in the form of equity, debt, or another form and the Company may be unable to obtain the necessary additional capital on a timely basis, on acceptable terms, or at all. In the event that these financing sources do not materialize, or that the Company is unsuccessful in increasing its revenues and becoming profitable, it may be unable to implement its current plans for expansion, repay its obligations as they become due or continue as a going concern, any of which circumstances would have a material adverse effect on its business prospects, financial condition and results of operations.

On November 10, 2010, the Company entered into an agreement with Lincoln Park Capital ("LPC") to purchase up to $10,000,000 worth of Nutra Pharma common stock. On November 9, 2010, the Company received $200,000 related to this transaction in exchange for 1,666,667 shares of common stock and warrants to purchase 1,666,667 additional shares of common stock at an exercise price of $0.15 per share. During the nine months period ended September 30, 2011, the Company issued 16,741,774 shares of common stock to LPC under the stock purchase agreement and received proceeds of $1,280,000. Assuming a purchase price of $0.05 per share (the closing sale price of the common stock on November 2, 2011) and the purchase by LPC of the remaining 39,264,476 purchase shares under the purchase agreement, additional proceeds to us would be $1,963,224.

The items discussed above raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

Use of Estimates

The accompanying condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America which require management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense. Significant estimates include management's belief that it will be able to raise and/or generate sufficient cash to continue as a going concern, the allowance for doubtful accounts, the valuation of inventory, the recoverability of long-lived assets, the fair value of derivative liability and the fair value of stock-based compensation. Actual results could differ from those estimates.

Revenue Recognition

In general, the Company records revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the sales price to the customer is fixed or determinable, and collectability is reasonably assured.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at estimated net realizable value. Accounts receivable are comprised of balances due from customers net of estimated allowances for uncollectible accounts. In determining collectability, historical trends are evaluated and specific customer issues are reviewed to arrive at appropriate allowances. There was no allowance at September 30, 2011.

Inventories

Inventories are valued at the lower of cost or market on an average cost basis and consist primarily of raw materials and finished goods.

Research and Development

Research and development is charged to operations as incurred.

Reclassifications

Certain amounts in the accompanying condensed consolidated financial statements have been reclassified to conform with the current period presentation.

Stock-Based Compensation

The Company records stock based compensation to employees in accordance with FASB ASC 718, Stock Compensation. With respect to non-employee share-based payments, we follow the guidance in FASB ASC 505-50 Equity-Based Payments to Non-Employees. Both FASB ASC 718 and FASB ASC 505-50 require that the cost resulting from all share-based transactions be recorded in the financial statements over the respective service periods. The standards establish fair value as the measurement objective in accounting for share-based payment arrangements and require all entities to apply a fair-value-based measurement in accounting for share-based payment transactions. With respect to non-employee stock issued for services at various points over the life of a service agreement, have no significant disincentives for non-performance and/or specific performance commitments, we follow the guidance in FASB ASC 505-50 Equity-Based Payments to Non-Employees. Pursuant to this standard, the value of this stock is estimated at various reporting dates and finally measured at the respective issue date(s) of the stock (or the date on which the consultants' performance is complete) The expense for each group of stock issuances is recognized ratably over the service period for each group, and the estimated value of any unissued stock is updated at such time. As a result, under these arrangements, our initial and periodic recording of stock based compensation expense represents an estimate for which changes are reflected in the period that they are determined to be necessary.

Net Loss Per Share

Net loss per share is calculated in accordance with FASB ASC 260, Earnings per Share. Basic loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding for the period. Diluted loss per share is calculated by dividing net income loss by the weighted average number of common shares and dilutive common stock equivalents outstanding. During periods in which we incur losses, common stock equivalents, if any, are not considered, as their effect would be anti-dilutive or have no effect on net loss per share.

Recent Accounting Pronouncements

The Company has determined that all recently issued accounting standards will not have a material impact on our consolidated financial statements, or do not apply to our operations.

2. INVENTORIES

Inventories are valued at the lower of cost or market on an average cost basis. At September 30, 2011 and December 31, 2010, inventories were as follows:

	September 30, 2011	December 31, 2010
Raw Materials	$ 661,722	$ 192,502
Finished Goods	131,874	60,540
Total Inventories	$ 793,596	$ 253,042

During 2010, the Company paid $100,000 toward certain components to be used in the bottling and packaging of our products. As of December 31, 2010, this balance is reflected as prepaid inventory in our condensed consolidated balance sheet. There is no prepaid inventory reflected in our condensed consolidated balance sheet as of September 30, 2011.

F-6

3. DUE TO OFFICERS

Officers' Loans

At December 31, 2010, the Company owed to its President and CEO, Mr. Deitsch, $1,099,238. Included in the amount is $256,696 of accrued interest. During the nine month period ended September 30, 2011, the Company borrowed an additional $613,720 from its President, Rik Deitsch, and repaid him $688,425, bringing the total amount owed to Mr. Deitsch to $1,058,399 at September 30, 2011. Included in the amount owed to Mr. Deitsch is $290,562 of accrued interest. This loan is due on demand and bears interest at a rate of 4% per annum.

At September 30, 2011, the Company was indebted to Paul Reid, President of ReceptoPharm, in the amount of $110,148. This amount includes accrued interest of $30,324. This loan is due on demand and bears interest at a rate of 5% per annum. The loan is secured by certain intellectual property of ReceptoPharm. At December 31, 2010 the Company owed Mr. Reid $106,144, which includes $26,317 of accrued interest.

4. OTHER LOANS

Director's Loans

During 2010 the Company borrowed $200,000 from one of our directors. This loan is expected to be repaid in 2011, along with interest calculated at 10% straight interest for the first month plus 12% annum calculated after 30 days from funding. At September 30, 2011 the principal balance of the loan is $200,000, and the accrued interest is $46,949.

Other Loans

In May 2011 the Company received two loans for a total of $50,000 from non-related parties. These loans are expected to be repaid in six months but no later than December 31, 2011, along with interest calculated at 10% straight interest for the first month plus 12% annum calculated after 30 days from funding. These loans are guaranteed by an officer of the Company.

In September and October 2011 the Company received $300,000 and $200,000, respectively, for a total of $500,000, which represents two loans of $250,000 each. The loans are dated September 20, 2011. The principal of these loans will be repaid with a balloon payment on or before October 1, 2012. Interest on these loans is payable monthly beginning in October 2011 with interest calculated at 20% and 12%, respectively.

Other Loan Payable – LPR

On August 15, 2011 under a settlement agreement with Liquid Packaging Resources, Inc. (“LPR”), the Company agreed to pay LPR a total of $350,000 to be repaid in monthly installments of $50,000 each beginning August 15, 2011 and ending on February 15, 2012. The balance of the amount owed to LPR at September 30, 2011 is $250,000.

5. OTHER RELATED PARTY TRANSACTIONS

During the year ended December 31, 2008, ReceptoPharm, the Company's wholly-owned subsidiary, entered into a contract for the production of a drug (Crotoxin) with Celtic Biotech, Ltd, a company based in Dublin, Ireland. An officer of ReceptoPharm is related to the Managing Director of Celtic Biotech, Ltd. The contract has a total budget of $134,336 and was completed during the quarter ending September 30, 2011.

6. STOCKHOLDERS' DEFICIT

On July 25, 2011 the Company signed an agreement for investor relations services with DRC Partners, LLC. The contract is on a month to month basis and calls for monthly payments of $5,000 in cash and 100,000 shares of restricted stock on the first day of each month of service, beginning August 1, 2011.

On July 27, 2011 the Company signed an agreement for investor relations with Synergy Financial, LLC. The contract is for a three months term beginning August 1, 2011 and continuing through November 1, 2011 and is renewable by the Company for an additional three months period. The agreement called for a monthly payment for each of the first three months of $5,000 beginning on August 1, 2011 plus the issuance of 300,000 shares of the Company's restricted common stock on the signing of the agreement.

On July 27, 2011 the Company issued 5,714,286 shares of restricted common stock which are held in escrow as security under the agreement reached with Liquid Packaging Resources.

In July 2011, the Company sold an aggregate of 1,690,000 shares of restricted common stock to eight investors at a price per share of $0.05 and received proceeds of $84,500.

In June 2011, the Company sold an aggregate of 1,500,000 shares of restricted common stock to two investors at a price per share of $0.05 and received proceeds of $75,000.

In April 2011, the Company issued 250,000 shares of restricted common stock to a consultant for investor and public relations services. The agreement is for one year. Three additional tranches of 250,000 shares of restricted common stock shall be earned and issued on July 11, 2011, October 11, 2011 and January 11, 2012. At June 30, 2011, all of the shares of restricted stock under the agreement, one million, were valued at $0.07 per share, which was the fair market value of the Company's common stock on April 11, 2011, the date of the agreement. At each issuance date, the fair market value of the shares will be adjusted to the actual price on those dates with any adjustments made through our consolidated statements of operations.

In March 2011, the Company issued 4,000,000 shares of restricted common stock to a consultant for services to be rendered beginning March 21, 2011. The shares were valued at $0.13 per share, which was the fair market value of the Company's common stock on the date of the contract. The contract calls for services to be provided in a timely fashion. The Company has estimated the services to be completed within one year and is recording the expense ratably over the year.

In March 2011, the Company issued 200,000 shares of restricted common stock to a consultant for services to be rendered from March 18, 2011 to March 17, 2012. The shares were valued at $0.12 per share, which was the fair market value of the Company's common stock on the date of the contract and will be expensed ratably over the term of the contract.

On November 8, 2010 the Company signed a $10 million dollar purchase agreement (the "Purchase Agreement") with Lincoln Park Capital Fund, LLC ("LPC"), an Illinois limited liability company. Upon signing the agreement Nutra Pharma received on November 9, 2010 $200,000 in exchange for 1,666,667 shares of common stock and warrants to purchase 1,666,667 shares of common stock at an exercise price of $0.15 per share. A copy of the agreement and description of the terms is included in Form 8-K which the Company filed on November 12, 2010.

During the nine months period ended September 30, 2011, the Company issued 16,741,774 shares of common stock to LPC under the stock purchase agreement and received proceeds of $1,280,000.

7. STOCK OPTIONS AND WARRANTS

On September 30, 2011, the Company had a total of 44,315,000 stock warrants outstanding at a weighted average exercise price of $0.10. There were no awards of options or warrants during the nine months ended September 30, 2011.

8. FAIR VALUE MEASUREMENTS

Certain assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2011 are measured in accordance with FASB ASC Topic 820-10-05, Fair Value Measurements. FASB ASC Topic 820-10-05 defines fair value, establishes a framework for measuring fair value and expands the disclosure requirements regarding fair value measurements for financial assets and liabilities as well as for non-financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis in the financial statements.

The statement requires fair value measurement be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following table summarizes our financial instruments measured at fair value as of September 30, 2011:

		September 30, 2011 Fair Value Measurements		
	Total	Level 1	Level 2	Level 3
Liabilities:				
Warrant liability (1)	$ 82,833	$ –	$ –	$ 82,833

(1) On November 8, 2010 we signed a $10 million dollar purchase agreement with LPC. Upon signing the agreement we received on November 9, 2010 $200,000 in exchange for 1,666,667 shares of common stock and warrants to purchase 1,666,667 shares of common stock at an exercise price of $0.15 per share.

The following table shows the changes in fair value measurements using significant unobservable inputs (Level 3) during 2011:

Description	Nine Months Ended September 30, 2011
Beginning balance	$ 109,500
Purchases, issuances, and settlements	-
Total gain included in earnings (2)	(26,667)
Ending Balance	$ 82,833

(2) Gains for the period ended September 30, 2011 related to the revaluation of our warrant liability. The gains were calculated from December 31, 2010 through September 30, 2011. These gains are reflected in our condensed consolidated statements of operations as a component of other income.

9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

Patricia Meding, et. al. v. ReceptoPharm, Inc. f/k/a Receptogen, Inc.
On August 18, 2006, ReceptoPharm was named as a defendant in Patricia Meding, et. al. v. ReceptoPharm, Inc. f/k/a Receptogen, Inc., Index No.: 18247/06 (New York Supreme Court, Queens County). The original proceeding claimed that ReceptoPharm owed the Plaintiffs, including Patricia Meding, a former ReceptoPharm officer and shareholder and several corporations that she claims to own, the sum of $118,928 plus interest and counsel fees on a series of promissory notes that were allegedly executed in 2001 and 2002. On August 23, 2007, the Queens County New York Supreme Court issued a decision denying Plaintiffs motion for summary judgment in lieu of a complaint, concluding that there were issues of fact concerning the enforceability of the promissory notes. On May 23, 2008, the Plaintiffs filed an amended complaint in which they reasserted their original claims and asserted new claims seeking damages of no less than $768,506 on their claims that in or about June 2004 ReceptoPharm wrongfully cancelled 1,750,000 of their purported ReceptoPharm share certificates.

In late 2010, Plaintiffs further amended their complaint alleging that ReceptoPharm violated Plaintiffs contractual and statutory rights by cancelling an additional 1,214,800 share certificates and failing to permit the Plaintiffs to exercise dissenting shareholder rights with respect to those share certificates. The damages associated with the Plaintiff's claims could rise as the result of increases in the Company's share price as the ReceptoPharm shares may be convertible into the Company's common shares. The potential exposure may exceed $10,000,000 if the Plaintiffs are successful with all of their claims.

ReceptoPharm believes the suit is without merit and has filed an answer denying the material allegations of the amended complaint and asserted a series of counterclaims against the Plaintiffs alleging claims for declaratory judgment, fraud, breach of fiduciary duty, conversion and unjust enrichment as a result of the promissory notes and share certificates. Plaintiffs moved for partial summary judgment on their claims regarding the additional 1,214,800 shares, and to dismiss ReceptoPharm counterclaims, but did not move for summary judgment on their claims regarding the alleged promissory notes or the 1,750,000 alleged shares. ReceptoPharm opposed the Plaintiffs' motion for partial summary judgment and itself moved for partial summary judgment limiting Plaintiffs' prospective damages. In August 2011, the Court denied Plaintiffs' motion for summary judgment on their claims regarding the additional 1,214,800 shares, and denied Plaintiffs' motion for summary judgment to the extent that it sought to dismiss most of ReceptoPharm's counterclaims, except that the Court did dismiss ReceptoPharm's relatively minor counterclaims for conversion and unjust enrichment. The Court simultaneously denied ReceptoPharm's cross-motion for summary judgment. ReceptoPharm intends to continue to vigorously contest this matter.

Liquid Packaging Resources, Inc. v. Nutra Pharma Corp. and Erik "Rik" Deitsch
On April 21, 2011, our CEO, Rik Deitsch, and Nutra Pharma were named as defendants in Liquid Packaging Resources, Inc. v. Nutra Pharma Corp. and Erik "Rik" Deitsch, Superior Court of Fulton County, Georgia, Civil Action No. 2011-CV-199562. Liquid Packaging Resources, Inc."LPR") claimed that Nutra Pharma Corp. and Mr. Deitsch, directly or through other companies, placed orders with LPR that required LPR to purchase components from third parties. LPR sought reimbursement for those third party expenses in the amount of not less than $359,826.85 plus interest. LPR also sought punitive damages in the amount of not less than $500,000 and attorney's fees. Mr. Deitsch and we then removed by Nutra Pharma Corp. to the United States District Court, Northern District of Georgia, Civil Action No. 11-CV-01663-ODE. After removal, LPR amended the Complaint to assert that Mr. Deitsch and we were the alter egos of the alleged other companies through whom the subject orders were allegedly placed and therefore should be considered one and the same. Mr. Deitsch and we moved to dismiss the Complaint on several grounds including statute of frauds, failure to state a claim, and jurisdiction (only for Mr. Deitsch). Mr. Deitsch and we contend the suit was without merit. At LPR's request, the parties mediated the dispute before LPR responded to the

Motion To Dismiss. At the mediation, the parties worked out an agreement whereby we would purchase from LPR the components LPR purchased from third parties at an amount slightly less than the principal amount of the suit and on terms acceptable to us. The agreed price was $350,000.00 payable over 7 months in equal $50,000.00 amounts. The settlement allowed us to take possession of the components prior to full payment and, in exchange, provided security to LPR in the form of our stock valued at $400,000 when issued. The stock may only be sold in event of a default of the payment schedule. The agreement reached provided us with tangible value in exchange for the purchase price rather than incurring the expense of litigation, which would likely be substantial and not recouped. The settlement agreement was executed on or about August 1, 2011. In connection with the settlement agreement, the civil action has been dismissed. We have provided the agreed security and have made the first two settlement payments. The third payment was made on or about October 28, 2011. We have received all of the components at issue in the litigation and some additional components we expect to use to our benefit.

Other Commitments and Contingencies

On April 27, 2011 the Company entered into an agreement with Undiscovered Equities for strategic business planning and investor relations services. We issued 250,000 shares of our restricted common stock on April 27, 2011. Two additional tranches of 250,000 restricted shares of our common stock were earned and issued on July 11, 2011 and October 11, 2011. The final tranche of 250,000 restricted shares of our common stock will be earned and issued on January 11, 2012. The total compensation shall be 1 million restricted shares. The agreement is for a one-year period.

On September 20, 2011 the Company signed two promissory notes for $250,000 each. As additional guarantee for the repayment of the loans Nutra Pharma pledged 4,000,000 restricted shares of common stock to be held in escrow for each loan by a third party escrowee.

Concentrations

During the nine months ended September 30, 2011, 80% of the Company's sales were to a single customer. During the year ended December 31, 2010, 96% of the Company's sales were to a single customer.

10. OTHER SUBSEQUENT EVENTS

On October 15, 2011 the Company extended the agreement for investor relations with Synergy Financial, LLC. The extension is for a three months term beginning November 1, 2011 and continuing through February 1, 2012. The agreement called for a monthly payment for each of the first three months of $5,000 beginning on November 1, 2011 plus the issuance of 300,000 shares of the Company's restricted common stock on the signing of the contract extension.

On October 3, 2011 our President, Rik Deitsch, in a private transaction sold $300,000 of his Company debt to a third party. At that time, the Company recorded this as a debt to that entity. In further negotiation with the debt holder, the Company agreed to satisfy the debt through a conversion, exchanging 10 million restricted shares of common stock for full satisfaction of the $300,000 owed.

Subsequent to September 30, 2011 and through November 3, 2011, the Company received additional advances from our President, Rik Deitsch, in the amount of $75,000 and we repaid Mr. Deitsch $78,819. As of November 3, 2011 the Company owed $757,264, which includes $293,246 of accrued interest.

Nutra Pharma Corp. is referred to hereinafter as “we”, “us” or “our”

Forward Looking Statements

This Quarterly Report on Form 10-Q for the period ending September 30, 2011, contains forward-looking statements that involve risks and uncertainties, as well as assumptions that if they never materialize or prove incorrect, could cause our results of to differ materially from those expressed or implied by such forward-looking statements. The words or phrases "would be," "will allow, "intends to," "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements." All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including: (a) any projections of revenue, gross margin, expenses, earnings or losses from operations, synergies or other financial items; and (b) any statements of the plans, strategies and objectives of management for future operations; and (c) any statement concerning developments, plans, or performance. Unless otherwise required by applicable law, we do not undertake and we specifically disclaim any obligation to update any forward-looking statements to reflect occurrences, developments, unanticipated events or circumstances after the date of such statement. We are subject to risks detailed in Item 1(a).

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Introduction

Our business during the third 2011 quarter has focused upon marketing our fully developed three homeopathic drugs for the treatment of pain:

- Cobroxin, an over the counter pain reliever designed to treat moderate to severe (Stage 2) chronic pain; and

- Nyloxin (Stage 2 Pain) and Nyloxin Extra Strength (Stage 3 Pain).

We will continue this focus during the remainder of 2011.

During our third quarter of 2011 and thereafter, the following has occurred:

Patent Granted

During October 2011, our wholly-owned subsidiary, ReceptoPharm, received approval from the US Patent and Trademark Office for its patent describing the composition of matter and the use of neurotoxins for the treatment of Multiple Sclerosis.

Regulatory Approval

During August 2011, we received regulatory approval to market Nyloxin in India.

Retail Sales and Distribution

During the third quarter of 2011, we generated revenues of $243,322 from Nyloxin sales. During the quarter we continued to focus on expanding brand awareness for our over-the-counter pain relievers Nyloxin and Nyloxin Extra

Strength by: (a) coordinating marketing and awareness for those pain relievers through attendance at various conferences; (b) seeking out additional international distribution partners for our Nyloxin branded pain relievers; and (c) coordinating our ongoing drug registration process in Europe, Canada, Central America, South America, the Middle East, Mexico, and India, including reviewing distributor candidates within those territories. We plan to continue our brand development and operations during the remainder of 2011 by continuing the above efforts, researching potential product line extensions for our branded pain relievers and organizing clinical studies that support our current drug products and advance our current research and development pipeline.

Cobroxin

We offer Cobroxin, our over-the-counter pain reliever clinically proven to treat moderate to severe (Stage 2) chronic pain that was developed by ReceptoPharm, our drug discovery arm and wholly owned subsidiary. Cobroxin is marketed online and at retailers through our United States distributor, XenaCare. In August 2009, we completed an agreement with XenaCare granting it the exclusive license to market and distribute Cobroxin within the United States. In mid-November 2009, XenaCare began selling Cobroxin online through its product website, Cobroxin.com.

In November 2009, XenaCare began selling Cobroxin to brick-and-mortar retailers, including distribution to CVS in March 2010 and Walgreens in May 2010. On April 1, 2011, we notified our Cobroxin Distributor, XenaCare Holdings that they were in breach of our agreement. As a result of this, the distribution agreement was terminated effective April 10, 2011. XenaCare continues to market their existing inventory of Cobroxin. We have been in negotiations with potential new distributors for our Cobroxin products both domestically and internationally.

Cobroxin is available at the following retailers:

- CVS
- Walgreens
- Winn Dixie
- e Vitamins
- Overstock.com
- Kerr Drug
- Meijer
- Quick2You.com
- Johnson Smith & Co
- Benchmark Brands
- Hannaford
- Kinney Drug
- Value Drug
- Amerimark
- Vitamin World
- Drugstore.com
- Sweetbay

- CDMA

4

- Amazon.com
- Dr. Leonard's
- Publix
- Cardinal Health
- Imperial
- DermaDoctor
- AmerisourceBergen
- GNC
- Tree of Life
- Dik Drug
- Kinray
- Big Y ("Imperial Distribution")
- Kinney Drug
- Max Wellness

Cobroxin is currently available as a two ounce topical gel for treating joint pain and pain associated with arthritis and repetitive stress, and as a one ounce oral spray for treating lower back pain, migraines, neck aches, shoulder pain, cramps, and neuropathic pain. Both the topical gel and oral spray are packaged and sold as a one-month supply.

Cobroxin offers several benefits as a pain reliever. With increasing concern about consumers using opioid and acetaminophen-based pain relievers, Cobroxin provides an alternative that does not rely on opiates or non-steroidal anti-inflammatory drugs, otherwise known as NSAIDs, for its pain relieving effects. Cobroxin also has a well-defined safety profile. Since the early 1930s, the active pharmaceutical ingredient (API) of Cobroxin, Asian cobra venom, has been studied in more than 46 human clinical studies. The data from these studies provide clinical evidence that cobra venom provides an effective treatment for pain with few side effects and has the following benefits:

- safe and effective;
- all natural;
- long-acting;
- easy to use;
- non-narcotic;
- non-addictive; and

5

- analgesic and anti-inflammatory

Potential side effects from the use of Cobroxin are rare, but may include headache, nausea, vomiting, sore throat, allergic rhinitis and coughing.

Nyloxin/Nyloxin Extra Strength

Nyloxin and Nyloxin Extra Strength are similar to Cobroxin in that they both contain the same active ingredient as Cobroxin, Asian cobra venom. The primary difference between Nyloxin, Nyloxin Extra Strength and Cobroxin is the dilution level of the venom. The approximate dilution levels for Nyloxin, Nyloxin Extra Strength and Cobroxin are as follows:

Nyloxin

- Topical Gel: 30 mcg/mL
- Oral Spray: 70 mcg/mL

Nyloxin Extra Strength

- Topical Gel: 60 mcg/mL
- Oral Spray: 140 mcg/mL

Cobroxin

- Topical Gel: 20 mcg/mL
- Oral Spray: 35 mcg/mL

In December 2009, we began marketing Nyloxin and Nyloxin Extra Strength at www.nyloxin.com. Both Nyloxin and Nyloxin Extra Strength are packaged in a roll-on container, squeeze bottle and as an oral spray. Additionally, Nyloxin topical gel is available in an 8 ounce pump bottle.

We are currently marketing Nyloxin and Nyloxin Extra Strength as treatments for moderate to severe chronic pain. Nyloxin is available as an oral spray for treating back pain, neck pain, headaches, joint pain, migraines, and neuralgia and as a topical gel for treating joint pain, neck pain, arthritis pain, and pain associated with repetitive stress. Nyloxin Extra Strength is available as an oral spray and gel application for treating the same physical indications, but is aimed at treating the most severe (Stage 3) pain that inhibits one's ability to function fully.

We have begun selling our homeopathic pain relievers in Canada. Upon completion of international drug registrations, which we estimate will be completed during the fourth quarter of 2011 and early 2012, we will distribute Cobroxin and Nyloxin in Mexico, Central and South America, the Middle East and India. We are also pursuing product registrations in Europe, which we estimate will be completed by mid 2012. Additionally, we plan to complete two human clinical studies aimed at comparing the ability of Nyloxin Extra Strength to replace prescription pain relievers. We originally believed that these studies would begin during the second quarter of 2010; however, these studies have been delayed because of lack of funding. We expect that these studies will begin by the end of 2011.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") applied on a consistent basis. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our consolidated financial statements. In general, management's estimates are based on historical experience, information from third party professionals, and various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management under different and/or future circumstances.

We believe that our critical accounting policies and estimates include our ability to continue as a going concern, revenue recognition, accounts receivable and allowance for doubtful accounts, inventory obsolescence, accounting for long-lived assets and accounting for stock based compensation.

Ability to Continue as a Going Concern: Our ability to continue as a going concern is contingent upon our ability to secure additional financing, increase ownership equity, and attain profitable operations. In addition, our ability to continue as a going concern must be considered in light of the problems, expenses and complications frequently encountered in established markets and the competitive environment in which we operate.

Revenue Recognition: In general, the Company records revenue when persuasive evidence of an arrangement exists, services have been rendered or product delivery has occurred, the sales price to the customer is fixed or determinable, and collectability is reasonably assured. There was no provision for sales returns at September 30, 2011 as all products sold as of that date have been accepted by our customer and contractually we are not obligated to accept returns.

Accounts Receivable and Allowance for Doubtful Accounts: Our accounts receivable are stated at estimated net realizable value. Accounts receivable are comprised of balances due from customers net of estimated allowances for uncollectible accounts. In determining collectability, historical trends are evaluated and specific customer issues are reviewed to arrive at appropriate allowances. There was no allowance for doubtful accounts at September 30, 2011.

Inventory Obsolescence: Inventories are valued at the lower of cost or market value using the average cost method. We periodically perform an evaluation of inventory for excess and obsolete items. At September 30, 2011, our inventory consisted of finished goods and raw materials that are utilized in the manufacturing of finished goods. These raw materials generally have expiration dates in excess of 10 years. We performed an evaluation of our inventory and determined that at September 30, 2011 there were no obsolete or excess items.

Derivative Warrant Liability: We generally do not use derivative financial instruments to hedge exposures to cash-flow risks or market-risks. However, certain financial instruments, such as warrants, which are indexed to our common stock, are classified as liabilities when either (a) the holder possesses rights to net-cash settlement or (b) physical or net-share settlement is not within our control. In such instances, net-cash settlement is assumed for financial accounting and reporting purposes, even when the terms of the underlying contracts do not provide for net-cash settlement. Such financial instruments are initially recorded, and continuously carried, at fair value.

Determining the fair value of these instruments involves judgment and the use of certain relevant assumptions including, but not limited to, interest rate risk, historical volatility and stock price, estimated life of the derivative, anti-dilution provisions, and conversion/redemption privileges. The use of different assumptions or changes in those assumptions could have a material effect on the estimated fair value amounts.

Long-Lived Assets: The carrying value of long-lived assets is reviewed annually and on a regular basis for the existence of facts and circumstances that may suggest impairment. If indicators of impairment are present, we determine whether the sum of the estimated undiscounted future cash flows attributable to the long-lived asset in question is less than its carrying amount. If less, we measure the amount of the impairment based on the amount that the carrying value of the impaired asset exceeds the discounted cash flows expected to result from the use and eventual disposal of the impaired assets. We do not believe there to be any impairments of long-lived assets as of September 30, 2011.

7

Stock Based Compensation: We record stock based compensation in accordance with FASB ASC 718, Stock Compensation. FASB ASC 718 requires that the cost resulting from all share-based transactions be recorded in the financial statements over the respective service periods. It establishes fair value as the measurement objective in accounting for share-based payment arrangements and requires all entities to apply a fair-value-based measurement in accounting for share-based payment transactions with employees. FASB ASC 718 also establishes fair value as the measurement objective for transactions in which an entity acquires goods or services from non-employees in share-based payment transactions.

Results of Operations – Comparison of Three Months Period Ended September 30, 2011 and September 30, 2010

Net sales for the three months period ended September 30, 2011 are $251,830 compared to $359,936 for the three months period ended September 30, 2010. The decrease in sales is primarily attributable to decreased product sales. Of the total sales during the three months ended September 30, 2011, $243,322 were related to the sale of Nyloxin and $8,508 were related to clinical research services provided by our wholly owned subsidiary, ReceptoPharm. We reported no sales of Cobroxin during this period. Of the total sales during the three months ended September 30, 2010, $311,701 were related to sales of our consumer product Cobroxin and $48,235 were related to clinical research services provided to third parties by our wholly owned subsidiary, ReceptoPharm. We reported no sales of Nyloxin for the three months period ended September 30, 2010.

Cost of sales for the three-month period ended September 30, 2011 is $88,476 compared to $104,083 for the three-month period ended September 30, 2010. Our cost of sales includes the direct costs associated with Cobroxin and Nyloxin manufacturing. Our gross profit margin on product sales for the three-month period ended September 30, 2011 is $154,846 or 63.6% compared to $207,618 or 66.6% for the three-month period ended September 30, 2010.

Selling, general and administrative expenses ("SG&A") decreased by $100,339 or 11.2% from $892,115 for the three months ended September 30, 2010 to $791,776 for the three months ended September 30, 2011. Our SG&A expenses include office expenses such as rent and utilities, product liability insurance and outside legal and accounting services. Also included in SG&A expenses is stock based compensation expense, which decreased $144,167 or 45.2% from $318,750 for the three months period ending September 30, 2010 to $174,583 for the three months period ending September 30, 2011.

Research and development expenses decreased $298 or 1.7% from $17,553 for the quarter ended September 30, 2010 to $17,255 for the comparable 2011 period. Our research expenses are related to ongoing research activities pertaining to ReceptoPharm's leading drug compound, RPI-78.

Interest expense decreased $13,674 or 37.0%, from $36,922 for the quarter ended September 30, 2010 to $23,248 for the comparable 2011 period. This decrease was due to a decrease in interest in short term loans.

Our net loss increased by $21,021 or 3.3%, from $640,737 for the quarter ended September 30, 2010 to $661,758 for the comparable 2011 period.

Comparison of Nine Months Periods Ended September 30, 2011 and September 30, 2010

Net sales for the nine months period ended September 30, 2011 are $651,279 compared to $1,382,056 for the nine months period ended September 30, 2010. The decrease in sales is primarily attributable to decreased product sales. Of our product sales of $637,324 during the nine month period ended September 30, 2011, $106,079 was related to sales of Cobroxin and $531,245 were related to sales of Nyloxin. For the nine months period ended

September 30, 2010, all of our product sales of $1,326,283 were related to sales of Cobroxin.

Cost of sales for the nine month period ended September 30, 2011 is $181,546 compared to $569,559 for the nine months period ended September 30, 2010. Our cost of sales includes the direct costs associated with Cobroxin and Nyloxin manufacturing. Our gross profit margin on product sales for the nine months period ended September 30, 2011 is $455,778 or 71.5% compared to $756,724 or 57.1% for the nine months period ended September 30, 2010. The increase in our profit margin is due primarily to a lower cost of production for our Nyloxin products compared to Cobroxin.

Selling, general and administrative expenses ("SG&A") decreased $685,536 or 23.5% from $2,920,993 for the nine months period ended September 30, 2010 to $2,235,457 for the nine month period ended September 30, 2011, generally due to a decrease in advertising, consulting, legal and professional fees. Our SG&A expenses include office expenses such as rent and utilities, product liability insurance and outside legal and accounting services. Also included in SG&A expenses is stock based compensation expense, which decreased $251,084 or 30.5% from $823,750 for the nine months period ending September 30, 2010 to $572,666 for the nine month period ending September 30, 2011.

Research and development expenses decreased $87,562 or 50.1% from $174,801 for the quarter ended September 30, 2010 to $87,239 for the comparable 2011 period. Our research expenses are related to ongoing research activities pertaining to ReceptoPharm's leading drug compound, RPI-78.

Interest expense increased by $8,780 or 13.9%, from $62,958 for the nine month period ended September 30, 2010 to $71,738 for the comparable 2011 period. This increase was due to an increase in short term loans.

Our net loss decreased by $398,221 or 17.3%, from $2,296,255 for the nine months period ended September 30, 2010 to $1,898,034 for the comparable 2011 period.

Liquidity and Capital Resources

We have incurred significant losses from operations and working capital and stockholders' deficits raise substantial doubt about our ability to continue as a going concern. Further, as stated in Note 1 to our condensed consolidated financial statements for the period ended September 30, 2011, we have an accumulated deficit of $31,532,341 and had working capital and stockholders' deficits at September 30, 2011 of $2,419,728 and $2,412,782, respectively.

Our ability to continue as a going concern is contingent upon our ability to secure additional financing, increase ownership equity, and attain profitable operations. In addition, our ability to continue as a going concern must be considered in light of the problems, expenses and complications frequently encountered in established markets and the competitive environment in which we operate.

Historically, we have relied upon loans from our Chief Executive Officer, Rik Deitsch, to fund our operations. These loans are unsecured, accrue interest at a rate of 4.0% per annum and are due on demand. During 2010, we borrowed $309,700 from Mr. Deitsch and repaid him $407,400. During the nine month period ended September 30, 2011, we borrowed an additional $613,720 from Mr. Deitsch and repaid him $688,425. As of September 30, 2011, we owe Mr. Deitsch $1,058,399. Included in this amount is $290,562 of accrued interest.

After September 30, 2011 and through November 3, 2011, we received additional advances from our President, Rik Deitsch, in the amount of $75,000 and repaid Mr. Deitsch $78,819. On October 3, 2011 Mr. Deitsch sold $300,000 of his debt. As of November 3, 2011 the amount owed to Mr. Deitsch is $757,264, which includes $293,246 of accrued interest.

During the year ended December 31, 2010, we raised a total of $725,000, $300,000 of which was derived from the sale of outstanding warrants, $225,000 through the issuance of short-term notes and $200,000 from the common stock

purchase agreement with Lincoln Park Capital (“LPC”).

On November 29, 2010, the Department of the Treasury notified us that it had approved a grant in the amount of $244,479 based on our July 20, 2010 application to the Internal Revenue Service requesting certification for qualified investments in a qualifying therapeutic discovery project under section 48D of the Internal Revenue Code. We received these funds on January 31, 2011.

On November 8, 2010, we entered into an agreement with LPC to purchase up to $10,000,000 of our common stock. On November 9, 2010, we received $200,000 related to this transaction in exchange for 1,666,667 shares of common stock and warrants to purchase 1,666,667 additional shares of common stock at an exercise price of $0.15 per share. In consideration for entering into the agreement with LPC, we issued 400,000 shares of our common stock as a commitment fee to LPC. A copy of the agreement and description of the terms is included in Form 8-K that we filed on November 12, 2010.

During the nine month period ended September 30, 2011 we received $1,280,000 from LPC in exchange for 16,741,774 shares of common stock.

In May 2011, the Company received a total of $50,000 in short-term loans from two non-related investors. These loans are expected to be repaid by the end of the year with interest calculated at 10% straight interest for the first month plus 12% annum calculated monthly after 30 days from funding.

In June and July of 2011, we sold an aggregate of 3,190,000 shares of restricted common stock to eight investors at a price per share of $0.05 and received proceeds of $159,500.

In September and October 2011, we received $300,000 and $200,000, respectively, for a total of $500,000, which represents two loans of $250,000 each. The loans are dated September 20, 2011. The principal of these loans will be repaid with a balloon payment on or before October 1, 2012. Interest on these loans is payable monthly beginning in October 2011 with interest calculated at 20% and 12%, respectively.

We expect to utilize the proceeds from these funds to manufacture Cobroxin® and Nyloxin™, and conduct additional research and clinical trials for ReceptoPharm's leading drug candidate, RPI-78, and reduce our debt level. We estimate that we will require approximately $1,600,000 to fund our existing operations and ReceptoPharm's operations over the next twelve months. These costs include: (i) compensation for ten full-time employees; (ii) compensation for various consultants who we deem critical to our business; (iii) general office expenses including rent and utilities; (iv) product liability insurance; and (v) outside legal and accounting services. These costs reflected in (i) – (v) do not include research and development costs or other costs associated with clinical studies.

We began generating revenues from the sale of Cobroxin® in the fourth quarter of 2009 and from the sale of Nyloxin™ during the first quarter of 2011. Our ability to meet our future operating expenses is highly dependent on the amount of such future revenues. To the extent that future revenues from the sales of Cobroxin® and Nyloxin™ are insufficient to cover our operating expenses we may need to raise additional equity capital, which could result in substantial dilution to existing shareholders. There can be no assurance that we will be able to raise sufficient equity capital to fund our working capital requirements on terms acceptable to us, or at all. We may also seek additional loans from our officers and directors; however, there can be no assurance that we will be successful in securing such additional loans.

Uncertainties and Trends

Our operations and possible revenues are dependent now and in the future upon the following factors:

- whether Cobroxin, Nyloxin, and Nyloxin Extra Strength will be accepted by retail establishments where they are sold;

- because Cobroxin is a novel approach to the over-the-counter pain market, whether it will be accepted by consumers over conventional over-the-counter pain products;

- whether our international drug applications will be approved and in how many countries;

- whether we will be successful in marketing Cobroxin, Nyloxin and Nyloxin Extra Strength in our target markets and create nationwide and international visibility for our products;

- whether our drug delivery system, i.e. oral spray and gel, will be accepted by consumers who may prefer a pain pill delivery system;

- whether competitors' pain products will be found to be more attractive to consumers;

- whether we successfully develop and commercialize products from our research and development activities;

- whether we compete effectively in the intensely competitive biotechnology area;

- whether we successfully execute our planned partnering and out-licensing products or technologies;

- whether the recent economic downturn and related credit and financial market crisis will adversely affect our ability to obtain financing, conduct our operations and realize opportunities to successfully bring our technologies to market;

- whether we are subject to litigation and related costs in connection with use of products;

- whether we will successfully locate another distributor and whether there will be interruptions in our operations;

- whether we comply with FDA and other extensive legal/regulatory requirements affecting the healthcare industry.

Off-Balance Sheet Arrangements

We have not entered into any transaction, agreement or other contractual arrangement with an entity unconsolidated with us under whom we have:

- An obligation under a guarantee contract.

- A retained or contingent interest in assets transferred to the unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to such entity for such assets.

- Any obligation, including a contingent obligation, under a contract that would be accounted for as a derivative instrument.

- Any obligation, including a contingent obligation, arising out of a variable interest in an unconsolidated entity that is held by us and material to us where such entity provides financing, liquidity, market risk or credit risk support to, or engages in

leasing, hedging or research and development services with us.

We do not have any off-balance sheet arrangements or commitments that have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that is material.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As of September 30, 2011, we carried out an evaluation under the supervision and the participation of our Chief Executive Officer/Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15 under the Securities Exchange Act of 1934 ("Exchange Act"). Based on that evaluation, our management, including our Chief Executive Officer/Chief Financial Officer, concluded that, because of the material weaknesses in internal control over financial reporting discussed in Section 9A of our 2010 annual report on Form 10-K, our disclosure controls and procedures were not effective, at a reasonable assurance level, as of September 30, 2011. In light of this, we performed additional post-closing procedures and analyses in order to prepare the Condensed Consolidated Financial Statements included in this report. As a result of these procedures, we believe our Condensed Consolidated Financial Statements included in this report present fairly, in all material respects, our financial condition, results of operations and cash flows for the periods presented. A control system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with the company have been detected.

Disclosure controls and procedures are controls and other procedures that are 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 Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer, who also acted as our Principal Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the third quarter of 2011 we continued the enhancement of our internal controls. Otherwise, there were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 under the Exchange Act that occurred during the quarter ended September 30, 2011 that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Patricia Meding, et. al. v. ReceptoPharm, Inc. f/k/a Receptogen, Inc.

On August 18, 2006, ReceptoPharm was named as a defendant in Patricia Meding, et. al. v. ReceptoPharm, Inc. f/k/a Receptogen, Inc., Index No.: 18247/06 (New York Supreme Court, Queens County). The original proceeding claimed that ReceptoPharm owed the Plaintiffs, including Patricia Meding, a former ReceptoPharm officer and shareholder and several corporations that she claims to own, the sum of $118,928 plus interest and counsel fees on a series of promissory notes that were allegedly executed in 2001 and 2002. On August 23, 2007, the Queens County New York Supreme Court issued a decision denying Plaintiffs motion for summary judgment in lieu of a complaint, concluding that there were issues of fact concerning the enforceability of the promissory notes. On May 23, 2008, the Plaintiffs filed an amended complaint in which they reasserted their original claims and asserted new claims seeking damages of no less than $768,506 on their claims that in or about June 2004 ReceptoPharm wrongfully cancelled 1,750,000 of

their purported ReceptoPharm share certificates.

In late 2010, Plaintiffs further amended their complaint alleging that ReceptoPharm violated Plaintiffs contractual and statutory rights by cancelling an additional 1,214,800 share certificates and failing to permit the Plaintiffs to exercise dissenting shareholder rights with respect to those share certificates. The damages associated with the Plaintiff's claims could rise as the result of increases in the Company's share price as the ReceptoPharm shares may be convertible into the Company's common shares. The potential exposure may exceed $10,000,000 if the Plaintiffs are successful with all of their claims.

ReceptoPharm believes the suit is without merit and has filed an answer denying the material allegations of the amended complaint and asserted a series of counterclaims against the Plaintiffs alleging claims for declaratory judgment, fraud, breach of fiduciary duty, conversion and unjust enrichment as a result of the promissory notes and share certificates. Plaintiffs moved for partial summary judgment on their claims regarding the additional 1,214,800 shares, and to dismiss ReceptoPharm counterclaims, but did not move for summary judgment on their claims regarding the alleged promissory notes or the 1,750,000 alleged shares. ReceptoPharm opposed the Plaintiffs' motion for partial summary judgment and itself moved for partial summary judgment limiting Plaintiffs' prospective damages. In August 2011, the Court denied Plaintiffs' motion for summary judgment on their claims regarding the additional 1,214,800 shares, and denied Plaintiffs' motion for summary judgment to the extent that it sought to dismiss most of ReceptoPharm's counterclaims, except that the Court did dismiss ReceptoPharm's relatively minor counterclaims for conversion and unjust enrichment. The Court simultaneously denied ReceptoPharm's cross-motion for summary judgment. ReceptoPharm intends to continue to vigorously contest this matter.

Liquid Packaging Resources, Inc. v. Nutra Pharma Corp. and Erik "Rik" Deitsch

On April 21, 2011, our CEO, Rik Deitsch, and Nutra Pharma were named as defendants in Liquid Packaging Resources, Inc. v. Nutra Pharma Corp. and Erik "Rik" Deitsch, Superior Court of Fulton County, Georgia, Civil Action No. 2011-CV-199562. Liquid Packaging Resources, Inc."LPR") claimed that Nutra Pharma Corp. and Mr. Deitsch, directly or through other companies, placed orders with LPR that required LPR to purchase components from third parties. LPR sought reimbursement for those third party expenses in the amount of not less than $359,826.85 plus interest. LPR also sought punitive damages in the amount of not less than $500,000 and attorney's fees. Mr. Deitsch and we then removed by Nutra Pharma Corp. to the United States District Court, Northern District of Georgia, Civil Action No. 11-CV-01663-ODE. After removal, LPR amended the Complaint to assert that Mr. Deitsch and we were the alter egos of the alleged other companies through whom the subject orders were allegedly placed and therefore should be considered one and the same. Mr. Deitsch and we moved to dismiss the Complaint on several grounds including statute of frauds, failure to state a claim, and jurisdiction (only for Mr. Deitsch). Mr. Deitsch and we contend the suit was without merit. At LPR's request, the parties mediated the dispute before LPR responded to the Motion To Dismiss. At the mediation, the parties worked out an agreement whereby we would purchase from LPR the components LPR purchased from third parties at an amount slightly less than the principal amount of the suit and on terms acceptable to us. The agreed price was $350,000.00 payable over 7 months in equal $50,000.00 amounts. The settlement allowed us to take possession of the components prior to full payment and, in exchange, provided security to LPR in the form of our stock valued at $400,000 when issued. The stock may only be sold in event of a default of the payment schedule. The agreement reached provided us with tangible value in exchange for the purchase price rather than incurring the expense of litigation, which would likely be substantial and not recouped. The settlement agreement was executed on or about August 1, 2011. In connection with the settlement agreement, the civil action has been dismissed. We have provided the agreed security and have made the first two settlement payments. The third payment will be made on or about October 28, 2011. We have received all of the components at issue in the litigation and some additional components we expect to use our benefit.

Item 1A. Risk Factors

You should carefully consider the risks described below regarding our operations, financial condition, financing, our common stock and other matters. If any of the following or other material risks actually occurs, our business, financial condition, or results or operations could be materially adversely affected.

Our ability to continue as a going concern is in doubt absent obtaining adequate new debt or equity financing and achieving sufficient sales levels.

We incurred net losses of $3,061,464 for the year ended December 31, 2010 and $2,301,641 in 2009. In addition we have net losses of $1,898,034 for the nine months ended September 30, 2011. We anticipate that these losses will continue for the foreseeable future. We have a significant working capital deficiency, and have not reached a profitable level of operations, which raises substantial doubt about our ability to continue as a going concern. Our continued existence is dependent upon our achieving sufficient sales levels of our Cobroxin® and Nyloxin™ products and obtaining adequate financing. Unless we can begin to generate material revenue, we may not be able to remain in business. We cannot assure you that we will raise enough money or generate sufficient sales to meet our future working capital needs.

We have a limited revenue producing history with significant losses and expect losses to continue for the foreseeable future.

We have yet to establish any history of profitable operations. We have incurred annual operating losses of $4,162,108, $2,301,641 and $3,061,464 during the previous fiscal years of operations ending December 31, 2008, 2009 and 2010 respectively. As a result, at December 31, 2010 we had an accumulated deficit of $29,634,307.

We have incurred operating losses of $1,898,034 during the nine months ended September 30, 2011. As a result, at September 30, 2011 we had an accumulated deficit of $31,532,341. Our revenues have been insufficient to sustain our operations and we expect our revenues will be insufficient to sustain our operations for the foreseeable future. Our potential profitability will require the successful commercialization of our Cobroxin® and Nyloxin™ products.

We will require additional financing to sustain our operations and without it will be unable to continue operations.

At December 31, 2010 we had a working capital deficit of $2,533,242. Our independent auditor’s report for the year ended December 31, 2010 includes an explanatory paragraph to their audit opinion stating that our recurring losses from operations and working capital deficiency raise substantial doubt about our ability to continue as a going concern. We have a negative cash flow from operations of $876,094, $1,956,102 and $1,358,173 for the years ended December 31, 2008, 2009, and 2010 respectively.

At September 30, 2011, we had a working capital deficit of $2,419,728 and a negative cash flow from operations of $1,912,630. We have insufficient financial resources to fund our operations.

Additionally, as of September 30, 2011 we have borrowed $1,058,399 from our Chief Executive Officer, which includes $290,562 of accrued interest.

On September 8, 2010, we signed a Purchase Agreement with Lincoln Park Capital ("LPC") in which we may direct LPC to purchase up to an additional $10,000,000 worth of shares of our common stock under our Agreement over a 30-month period. The Purchase Agreement became effective January 7, 2011. The extent we rely on LPC as a source

of funding will depend on a number of factors including the prevailing market price of our common stock and volume of trading and the extent to which we are able to secure working capital from other sources, such as through the sale of our products. If obtaining sufficient funding from LPC is prohibitively dilutive and if we are unable to sell enough of our products, we will need to secure another source of funding in order to satisfy our working capital needs. Should the financing we require to sustain our working capital needs be unavailable or prohibitively expensive when we require it, the consequences could be a material adverse effect on our business, operating results, financial condition and prospects.

If we do not raise the necessary working capital, our operations and potential revenues will be negatively affected.

Our Chief Executive Officer may be unwilling or unable to continue funding our operations.

Our Chief Executive Officer has historically funded our operations by providing loans to us. As of September 30, 2011, we owe Mr. Deitsch $1,058,399. Mr. Deitsch may be unwilling or unable to fund our operations in the future. If we have no other source of funding and we are unable to secure additional loans from Mr. Deitsch, our operations will be negatively affected.

To date, none of our prescription drug candidates have received FDA drug orphan status approval.

To date, none of our prescription drug candidates have received FDA drug orphan status, which would otherwise place our drug candidates on a “fast track” with the FDA application process. If none of our drug candidates can achieve that status, our operations and financial condition will be negatively affected.

If we cannot sell a sufficient volume of our products, we will be unable to continue in business.

To date, sales of Cobroxin® and Nyloxin® have been limited and inconsistent. During our fourth quarter of 2009, we sold $583,955 of Cobroxin®. During 2010, we sold $864,424, $150,158, $311,701 of Cobroxin® during the first, second and third quarters, respectively. We had no sale of Cobroxin® during the last quarter of 2010. During the first quarter of 2011 we sold $106,078 of Cobroxin®. We had no sales of Cobroxin during the second and third quarters of 2011. During the first quarter of 2011 we sold $14,195 of Nyloxin™, which represents our first sale of this product. During the second quarter of 2011, we sold $273,728 of Nyloxin™. During the third quarter of 2011, we sold $243,322 of Nyloxin™. If we cannot achieve sufficient sales levels of our Cobroxin® and Nyloxin™ products or we are unable to secure financing our operations will be negatively affected.

We have a limited history of generating revenues on which to evaluate our potential for future success and to determine if we will be able to execute our business plan; accordingly, it is difficult to evaluate our future prospects and the risk of success or failure of our business.

Our total sales of Cobroxin® from November 2009 until December 31, 2010 are $1,910,238. During our fourth quarter of 2010, we had no sales. During the first quarter of 2011 we had sales of $106,078. We had no sales of Cobroxin during the second and third quarters of 2011.

Our total sales of Nyloxin from January 2011 until September 30, 2011 are $531,245. During the first quarter of 2011 we had sales of $14,195. During the second quarter of 2011 we had sales of Nyloxin of $273,728. During the third quarter of 2011 we had sales of $243,322.

You must consider our business and prospects in light of the risks and difficulties we will encounter as an early-stage revenue producing company. These risks include:

- our ability to effectively and efficiently market and distribute our products;
- our ability to obtain market acceptance of our current products and future products that may be developed by us; and
- our ability to sell our products at competitive prices which exceed our per unit costs.

We may be unable to address these risks and difficulties, which could materially and adversely affect our revenue, operating results and our ability to continue to operate our business.

Our growth strategy reflected in our business plan may be unachievable or may not result in profitability.

We may be unable to implement our growth strategy reflected in our business plan rapidly enough for us to achieve profitability. Our growth strategy is dependent on a number of factors, including market acceptance of our Cobroxin® and Nyloxin™ products and the acceptance by the public of using these products as pain relievers. We cannot assure you that our products will be purchased in amounts sufficient to attain profitability.

Among other things, our efforts to expand our sales of Cobroxin® and Nyloxin™ will be adversely affected if:

- we are unable to attract sufficient customers to the products we offer in light of the price and other terms required in order for us to attain the level of profitability that will enable us to continue to pursue our growth strategy;

- adequate penetration of new markets at reasonable cost becomes impossible limiting the future demand for our products below the level assumed by our business plan;

- we are unable to scale up manufacturing to meet product demand, which would negatively affect our revenues and brand name recognition;

- we are unable to meet regulatory requirements in the intellectual marketplace that would otherwise allow us for wider distribution; and

- we are unable to meet FDA regulatory requirements that would potentially expand our product base and potential revenues.

If we cannot manage our growth effectively, we may not become profitable.

Businesses, which grow rapidly, often have difficulty managing their growth. If we grow rapidly, we will need to expand our management by recruiting and employing experienced executives and key employees capable of providing the necessary support. We cannot assure you that our management will be able to manage our growth effectively or successfully.

Among other things, implementation of our growth strategy would be adversely affected if we were not able to attract sufficient customers to the products and services we offer or plan to offer in light of the price and other terms required in order for us to attain the necessary profitability.

If we are unable to protect our proprietary technology, our business could be harmed.

Our intellectual property, including patents, is our key asset. We currently have 15 patents that we either own or have the rights to from third parties. 12 of these patents have been approved and 3 are pending. Competitors may be able to design around our patents for our Cobroxin® and Nyloxin™ products and compete effectively with us. The cost to prosecute infringements of our intellectual property or the cost to defend our products against patent infringement or other intellectual property litigation by others could be substantial. We cannot assure you that:

- pending and future patent applications will result in issued patents,

- patents licensed by us will not be challenged by competitors,
- our patents, licensed and other proprietary rights from third parties will not result in costly litigation;
- pending and future patent applications will result in issued patents,

- the patents or our other intellectual property will be found to be valid or sufficiently broad to protect these technologies or provide us with a competitive advantage,

Should any risks pertaining to the foregoing occur, our brand name reputation, results of operation and revenues will be negatively affected.

We are subject to substantial FDA regulations pertaining to Cobroxin® and Nyloxin™, which may increase our costs or otherwise adversely affect our operations.

Our Cobroxin® and Nyloxin™ products are subject to FDA regulations, including manufacturing and labeling, approval of ingredients, advertising and other claims made regarding Cobroxin® or Nyloxin™, and product ingredients disclosure. If we fail to comply with current or future regulations, the FDA could force us to stop selling Cobroxin® or Nyloxin™ or require us to incur substantial costs from adopting measures to maintain FDA compliance.

The inability to provide scientific proof for product claims may adversely affect our sales.

The marketing of Cobroxin® and Nyloxin™ involves claims that they assist in reducing Stage 2 chronic pain, while involves claims that it assists in reducing Stage 3 chronic pain. Under FDA and Federal Trade Commission ("FTC") rules, we are required to have adequate data to support any claims we make concerning Cobroxin®, Nyloxin™ and Nyloxin™ Extra Strength. We have scientific data for our Cobroxin® and Nyloxin™ product claims; however, we cannot be certain that these scientific data will be deemed acceptable to the FDA or FTC. If the FDA or FTC requests supporting information and we are unable to provide support that it finds acceptable, the FDA or FTC could force us to stop making the claims in question or restrict us from selling the products.

None of our ethical drug candidates have received FDA approval.

Our non-homeopathic or ethical products require a complex and costly FDA regulation process that takes several years for drug approval, if ever. None of the drug applications we have submitted to the FDA have received FDA approval. If we do not receive FDA approval for our drug applications, our operations and financial condition will be negatively affected.

If we are unable to secure sufficient cobra venom from available suppliers, our operating results will be negatively affected.

We secure cobra venom on an as-needed basis according to customer orders for Cobroxin® and Nyloxin™ received by our distributor. If we do not have an available supplier to fill customer orders, there will be distribution delays and/or our failure to fulfill purchase orders, either of which will negatively affect our brand name reputation and operating results.

Our Cobroxin® and Nyloxin™ products may be unable to compete against our competitors in the pain relief market.

The pain relief market is highly competitive. We compete with companies that have already achieved product acceptance and brand recognition, including multi-billion dollar private label manufacturers and more established pharmaceutical and health products companies, or low cost generic drug manufacturers. Most such companies have far greater financial and technical resources and production and marketing capabilities than we do. Additionally, if consumers prefer our competitors' products, or if these products have better safety, efficacy, or pricing characteristics, our results could be negatively impacted. If we fail to develop and actualize strategies to compete against our competitors we may fail to compete effectively, which will negatively affect our operations and operating results.

If we incur costs resulting from product liability claims, our operating results will be negatively affected.

If we become subject to product liability claims for Cobroxin® and Nyloxin™ that exceed our product liability policy limits, we may be subject to substantial litigation costs or judgments against us, which will negatively impact upon our financial and operating results.

Should we become dependent upon a small group of large national retailers for distribution of Cobroxin® and Nyloxin™ and any such retailer ceases to purchase our product, our sales, operating margins and income will be negatively affected.

We will continue to attempt to secure other large national retailers for Cobroxin® and Nyloxin™. Should we secure such retailers, but they stop carrying Cobroxin® and Nyloxin™, our financial results will be adversely affected.

Loss of any of our key personnel could have a material adverse effect on our operations and financial results.

We are dependent upon a limited number of our employees: (a) our Chief Executive Officer who directs our operations; and (b) ReceptoPharm's employees who conduct our research and development activities. Our success depends on the continued services of our senior management and key research and development employees as well as our ability to attract additional members to our management and research and development teams. The unexpected loss of the services of any of our management or other key personnel could have a material adverse effect upon our operations and financial results.

We may be unable to maintain and expand our business if we are not able to retain, hire and integrate key management and operating personnel.

Our success depends in large part on the continued services and efforts of key management personnel. Competition for such employees is intense and the process of locating key personnel with the combination of skills and attributes required to execute our business strategies may be lengthy. The loss of key personnel could have a material adverse impact on our ability to execute our business objectives. We do not have any key man life insurance on the lives of any of our executive officers.

Risks Related to Our Common Stock

Because the market for our common stock is limited, persons who purchase our common stock may not be able to resell their shares at or above the purchase price paid by them.

Our common stock trades on the OTC Bulletin Board, or the Bulletin Board, which is not a liquid market. There is currently only a limited public market for our common stock. We cannot assure you that an active public market for our common stock will develop or be sustained in the future. If an active market for our common stock does not develop or is not sustained, the price may decline.

Because we are subject to the "penny stock" rules, brokers cannot generally solicit the purchase of our common stock, which may adversely affects its liquidity and market price.

The SEC has adopted regulations, which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. The market price of our common stock on the Bulletin Board has been substantially less than $5.00 per share and therefore we are currently considered a "penny stock" according to SEC rules. This designation requires any broker-dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules limit the ability of broker-dealers to solicit purchases of our common stock and therefore reduce the liquidity of the public market for our shares.

Because the majority of our outstanding shares are freely tradable, sales of these shares could cause the market price of our common stock to drop significantly, even if our business is performing well.

As of September 30, 2011, we had outstanding 305,113,673 shares of common stock, of which our principal shareholder/executive officer owns 57,272,500, which are subject to the limitations of Rule 144 under the Securities Act of 1933. In general, Rule 144 provides that any our non-affiliates, who have held restricted common stock for at least six-months, are entitled to sell their restricted stock freely, provided that we stay current in our SEC filings. After one year, a non-affiliate may sell without any restrictions.

An affiliate may sell after six months with the following restrictions: (i) we are current in our filings, (ii) certain manner of sale provisions, (iii) filing of Form 144, and (iv) volume limitations limiting the sale of shares within any three-month period to a number of shares that does not exceed 1% of the total number of outstanding shares. A person who has ceased to be an affiliate at least three months immediately preceding the sale and who has owned such shares of common stock for at least one year is entitled to sell the shares under Rule 144 without regard to any of the limitations described above.

An investment in our common stock may be diluted in the future as a result of the issuance of additional securities or the exercise of options or warrants.

In order to raise additional capital to fund our strategic plan, we may issue additional shares of common stock or securities convertible, exchangeable or exercisable into common stock from time to time, which could result in substantial dilution to any person who purchases our common stock. Because we have a negative net tangible book value, purchasers will suffer substantial dilution. We cannot assure you that we will be successful in raising funds from the sale of common stock or other equity securities.

Since we intend to retain any earnings for development of our business for the foreseeable future, you will likely not receive any dividends for the foreseeable future.

We have not and do not intend to pay any dividends in the foreseeable future, as we intend to retain any earnings for development and expansion of our business operations. As a result, you will not receive any dividends on your investment for an indefinite period of time.

The sale of our common stock to LPC may cause dilution and the sale of the shares of common stock acquired by LPC could cause the price of our common stock to decline.

In connection with entering into the agreement, we authorized the sale to LPC of up to 73,000,000 shares of our common stock, 62,000,000 of which we have registered. The number of shares ultimately offered for sale by LPC is dependent upon the number of shares purchased by LPC under the agreement. The purchase price for the common stock to be sold to LPC pursuant to the common stock purchase agreement will fluctuate based on the price of our common stock. All 62,000,000 shares registered are expected to be freely tradable. It is anticipated that shares registered will be sold over a period of up to 30 months from the date of this prospectus. Depending upon market liquidity at the time, a sale of shares at any given time could cause the trading price of our common stock to decline. We can elect to direct purchases in our sole discretion but no sales may occur if the price of our common stock is below $0.06 and therefore, LPC may ultimately purchase all, some or none of the 55,666,666 shares of common stock not yet issued but registered in this offering. After it has acquired such shares, it may sell all, some or none of such shares. Therefore, sales to LPC by us under the agreement may result in substantial dilution to the interests of other holders of our common stock. The sale of a substantial number of shares of our common stock, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales. However, we have the right to control the timing and amount of any sales of our shares to LPC and the agreement may be terminated by us at any time at our discretion without any cost to us.

Due to factors beyond our control, our stock price may continue to be volatile.

The market price of our common stock has been and is expected to be highly volatile. Any of the following factors could affect the market price of our common stock:

- Sales by LPC,
- our failure to generate revenue,
- our failure to achieve and maintain profitability,
- short selling activities,
- the sale of a large amount of common stock by our shareholders including those who invested prior to commencement of trading,
- actual or anticipated variations in our quarterly results of operations,
- announcements by us or our competitors of significant contracts, new products, acquisitions, commercial relationships, joint ventures or capital commitments,
- the loss of major customers or product or component suppliers,
- the loss of significant business relationships,
- our failure to meet financial analysts' performance expectations,
- changes in earnings estimates and recommendations by financial analysts, or
- changes in market valuations of similar companies.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert our management's time and attention, which would otherwise be used to benefit our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On June 15, 2011 we sold 500,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $25,000.

On June 20, 2011, we sold 500,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $25,000.

On June 29, 2011, we sold 500,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $25,000.

On July 6, 2011, we sold 100,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $5,000.

On July 8, 2011 we sold 150,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $7,500.

On July 18, 2011, we sold 100,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $5,000.

On July 20, 2011, we sold 100,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $5,000.

On July 21, 2011, we sold 400,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $20,000.

On July 21, 2011, we sold 140,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $7,000.

On July 22, 2011, we sold 200,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $10,000.

On July 22, 2011, we sold 100,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $5,000.

On July 29, 2011, we sold 200,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $10,000.

On July 29, 2011, we sold 200,000 restricted shares to an accredited investor at 5 cents per share for an aggregate purchase price of $10,000.

The sales were made in reliance upon Section4 (2) of the Securities Act of 1933, as amended

Item 3. Defaults Upon Senior Securities

None

Item 4. Removed and Reserved

Item 5. Other Information

None

Item 6. Exhibits

Exhibit No. Title
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 Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NUTRA PHARMA CORP.
Registrant

Dated: November 14, 2011

/s/ Rik J. Deitsch
Rik J. Deitsch
Chief Executive Officer/Chief Financial Officer