SCIENTIFIC INDUSTRIES INC
Form 10-Q
November 14, 2008

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

FORM 10-Q

(Mark One)
X QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For quarterly period ended September 30, 2008

TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: 0-6658

SCIENTIFIC INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	04-2217279
(State or other jurisdiction Of incorporation or organization)	(IRS Employer Identification No.)

70 Orville Drive, Bohemia, New York 11716

(Address of principal executive offices) (Zip Code)

(631)567-4700

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

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

Large accelerated filer Accelerated Filer

Non-accelerated filer Smaller reporting company X
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes	X No
_____	_____

The number of shares outstanding of the issuer's common stock par value, $0.05 per share, as of November 7, 2008 was 1,181,352 shares.

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	September 30, 2008	June 30, 2008
Current Assets:	(Unaudited)	
Cash and cash equivalents	$ 395,800	$1,065,500
Investment securities	662,900	682,400
Trade accounts receivable, less allowance for doubtful accounts of $11,600 as of September 30, and June 30, 2008	448,200	454,800
Inventories	1,861,300	1,521,400
Prepaid expenses and other current assets	62,400	84,700
Deferred taxes	31,600	31,400
Total current assets	3,462,200	3,840,200
Property and equipment at cost, less accumulated depreciation of $604,800 as of September 30, 2008 and $586,900 as of June 30, 2008	235,200	247,400
Intangible assets, less accumulated amortization of $334,800 as of September 30, 2008, and $299,900 as of June 30, 2008	423,000	454,600
Goodwill	162,600	158,400
Other	46,000	46,000
Deferred taxes	40,300	30,200
Total assets	$4,369,300	$4,776,800

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Accounts payable	$ 187,500	$ 241,800
Customer advances	357,600	379,300
Accrued expenses and taxes	211,900	442,900
Dividends payable	94,500	-
Total current liabilities	851,500	1,064,000
Shareholders' equity:		
Common stock, $.05 par value; authorized 7,000,000 shares; 1,201,154 issued and		

outstanding at September 30, 2008 and June 30, 2008	60,000	60,000
Additional paid-in capital	1,507,700	1,507,000
Accumulated other comprehensive loss, unrealized holding loss on investment securities	(67,500)	(44,400)
Retained earnings	2,070,000	2,242,600
	3,570,200	3,765,200
Less common stock held in treasury, at cost, 19,802 shares	52,400	52,400
Total shareholders' equity	3,517,800	3,712,800
Total liabilities and shareholders' equity	$4,369,300	$4,776,800

See notes to unaudited condensed consolidated financial statements

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SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Month Periods Ended September 30,	
	2008	2007
Net sales	$ 972,300	$ 1,500,400
Cost of goods sold	637,200	876,000
Gross profit	335,100	624,400
Operating Expenses:		
General & administrative	245,600	228,000
Selling	114,200	123,800
Research & development	96,600	60,400
	456,400	412,200
Income (loss) from operations	(121,300)	212,200
Interest & other income, net	11,200	13,000
Income (loss) before income taxes	(110,100)	225,200
Income tax expense (benefit):		
Current	(21,700)	94,000

Deferred	(10,300)	(15,500)
	(32,000)	78,500
Net income (loss)	($ 78,100)	$ 146,700
Basic earnings (loss) per common share	($ .07)	$ .13
Diluted earnings (loss) per common share	($ .07)	$ .12
Cash dividends declared per common share	$ .08	$ .07

See notes to unaudited condensed consolidated financial statements

SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Month Periods Ended	
	Sept. 30, 2008	Sept. 30, 2007
Operating activities:		
Net income (loss)	($ 78,100)	$ 146,700
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	52,800	55,800
Deferred income taxes	(10,300)	(15,500)
Stock-based compensation	700	700
Changes in assets and liabilities:		
Accounts receivable	6,700	69,300
Inventories	(339,900)	(117,500)
Prepaid expenses and other current assets	22,300	17,400
Accounts payable	(54,300)	144,700
Customer advances	(21,800)	117,600
Accrued expenses and taxes	(90,200)	(114,400)
Total adjustments	(434,000)	158,100
Net cash provided by (used in) operating activities	(512,100)	304,800
Investing activities:		
Acquisition of Altamira Instruments, Inc., net of cash acquired	(144,900)	-
Purchase of investment securities, available-for-sale	(3,600)	(6,200)

Capital expenditures	(5,700)	(19,200)
Purchases of intangible assets	(3,400)	(3,600)
Net cash used in investing activities	(157,600)	(29,000)
Net increase (decrease) in cash and cash equivalents	(669,700)	275,800
Cash and cash equivalents, beginning of period	1,065,500	388,700
Cash and cash equivalents, end of period	$ 395,800	$ 664,500
Supplemental disclosures:		
Cash paid during the period for:		
Income Taxes	$ 75,000	$ 50,400

See notes to unaudited condensed consolidated financial statements

SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

General: The accompanying unaudited interim condensed consolidated financial statements are prepared pursuant to the Securities and Exchange Commission's rules and regulations for reporting on Form 10-Q. Accordingly, certain information and footnotes required by accounting principles generally accepted in the United States for complete financial statements are not included herein. The Company believes all adjustments necessary for a fair presentation of these interim statements have been included and that they are of a normal and recurring nature. These interim statements should be read in conjunction with the Company's financial statements and notes thereto, included in its Annual Report on Form 10-KSB, for the fiscal year ended June 30, 2008. The results for the three months ended September 30, 2008, are not necessarily an indication of the results of the full fiscal year ending June 30, 2009.

1. Summary of significant accounting policies:

Principles of consolidation:

The accompanying consolidated financial statements include the accounts of Scientific Industries, Inc., Altamira Instruments, Inc. ("Altamira"), a Delaware corporation and wholly-owned subsidiary, and Scientific Packaging Industries, Inc., an inactive wholly-owned subsidiary (all collectively referred to as the "Company"). All material intercompany balances and transactions have been eliminated.

Stock-based compensation:

Stock-based compensation is accounted for using Statement of Financial Accounting Standards No. 123(R) "Share-Based Payment", which requires compensation costs related to stock-based payment transactions to be recognized commencing with the first reporting period in our fiscal year ended June 30, 2007. With limited exceptions, the amount of compensation cost is measured based on the grant-date fair value of the equity or liability instruments issued. In addition, liability awards will be measured each reporting period. Compensation costs are recognized over the period that an employee provides service in exchange for the award.

2. Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurement. SFAS No. 157 does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. In January 2008, the FASB deferred the effective date for one year for certain non-financial assets and non-financial liabilities, except those that are

recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The adoption of this standard and such application had no impact on the Company's financial condition, results of operations, or cash flows.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115" ("SFAS No. 159"). SFAS No. 159 allows entities to choose to measure eligible financial instruments at fair value with changes in fair value recognized in earnings of each subsequent reporting date. The fair value election is available for most financial assets and liabilities on an instrument-by-instrument basis and is to be elected on the date the financial instrument is initially recognized. SFAS 159 is effective for all entities as of the beginning of a reporting entity's first fiscal year that begins after November 15, 2007 (with earlier application permitted under certain circumstances). The adoption of SFAS No. 159 had no impact on the Company's financial position or statement of operations.

In April 2008, the FASB issued FSP 142-3, "Determination of the Useful Life of Intangible Assets" ("FSP 142-3"). FSP 142-3 amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under SFAS No. 142, "Goodwill and Other Intangible Assets." FSP 142-3 is effective for fiscal years beginning after December 15, 2008. The Company is currently assessing the impact of FSP 142-3 on its financial position and results of operations.

3. Acquisition of Altamira Instruments, Inc.:

On November 30, 2006, the Company acquired all of the outstanding capital stock of Altamira. The acquisition was pursuant to a Stock Purchase Agreement (the "Agreement") whereby the Company paid to the sellers $400,000, and issued to them 125,000 shares of the Company's Common Stock and agreed to make additional cash payments equal to 5%, subject to adjustment, of the net sales of Altamira for each of five periods December 1, 2006 to June 30, 2007, each of the fiscal years ending June 30, 2008, 2009, and 2010, and July 1, 2010 to November 30, 2010.

Altamira's principal customers are universities, government laboratories, and chemical and petrochemical companies. The instruments are customizable to the customer's specifications, and are sold on a direct basis.

In conjunction with the acquisition of Altamira, management of the Company valued the tangible and intangible assets acquired, including goodwill, customer relationships, non-compete agreements, and certain technology, trade names and trademarks. The carrying amounts of goodwill and other intangible assets are presented in Note 8, "Goodwill and Other Intangible Assets" which represent the valuations determined in conjunction with the acquisition. In addition, other fair market value adjustments were made in conjunction with the acquisition, primarily adjustments to property and equipment, and inventory.

As of September 30, 2008, the adjusted aggregate purchase price of $1,139,100 was allocated to assets acquired and liabilities assumed as follows:

Current assets	$ 734,000
Property and equipment	140,300
Non-current assets	25,100
Goodwill	162,600
Other intangible assets	639,000*
Current liabilities	(561,900)
Net purchase price	$1,139,100

*Of the $639,000 of other intangible assets, $237,000 was allocated to customer relationships with a weighted-average estimated useful life of 10 years, $300,000 was allocated to technology including trade names and trademarks with a useful life of 5 years, and $102,000 was allocated to a non-compete agreement with a useful life of 5 years. The other intangible assets are being amortized on a straight-line basis except that the amount allocated to the customer relationships is being amortized on an accelerated (declining balance) method.

4. Segment Information and Concentrations:

The Company views its operations as two segments: the manufacture and marketing of standard benchtop laboratory equipment for research in university, hospital and industrial laboratories sold primarily through laboratory equipment distributors ("Benchtop Laboratory Equipment Operations"), and the manufacture and marketing of custom-made catalyst research instruments for universities, government laboratories, and chemical and petrochemical companies sold on a direct basis ("Catalyst Research Instruments Operations").

Segment information is reported as follows:

	Benchtop Laboratory Equipment	Catalyst Research Instruments	Corporate and Other	Consolidated
Three months ended September 30, 2008:				
Net Sales	$ 886,600	$ 85,700	$ -	$ 972,300
Foreign Sales	480,500	69,200	-	549,700
Segment Profit (Loss)	100,900	(211,000)	-	(110,100)
Segment Assets	2,351,100	1,120,800	897,400	4,369,300
Long-Lived Asset Expenditures	3,100	2,600	-	5,700
Depreciation and Amortization	14,800	38,000	-	52,800

	Benchtop Laboratory Equipment	Catalyst Research Instruments	Corporate and Other	Consolidated
Three months ended September 30, 2007:				
Net Sales	$ 947,500	$ 552,900	$ -	$1,500,400
Foreign Sales	407,400	347,800	-	755,200
Segment Profit	173,500	51,700	-	225,200
Segment Assets	2,170,300	1,483,300	796,000	4,449,600
Long-Lived Asset Expenditures	13,900	5,300	-	19,200
Depreciation and Amortization	13,800	42,000	-	55,800

Approximately 69% of net sales of benchtop laboratory equipment for each of the three month periods ended September 30, 2008 and 2007, were derived from the Company's main product, the Vortex-Genie 2 mixer, excluding accessories.

Two customers accounted in the aggregate for approximately 33% (30% of total sales) and 37% (23% of total sales) of the benchtop laboratory equipment operations' net sales for the three month periods ended September 30, 2008 and 2007, respectively. Sales of catalyst research instruments generally comprise a few very large orders averaging $100,000 per order to a limited numbers of customers, who differ from order to order. Sales pursuant to an order from one customer represented approximately 60% of the segment's sales (5% of total sales) for the three months ended September 30, 2008, and sales pursuant to an order from another customer represented 53% of the segment's sales (20% of total sales) for the three months ended September 30, 2007.

The Company's export sales are principally to customers in Europe and Asia.

5. Inventories:

Inventories for interim financial statement purposes are based on perpetual inventory records at the end of the applicable period. Components of inventory are as follows:

	September 30, 2008	June 30, 2008
Raw Materials	$1,188,900	$ 1,037,900
Work in process	511,300	288,600
Finished Goods	161,100	194,900
	$1,861,300	$ 1,521,400

6. Earnings (loss) per common share:

Basic earnings (loss) per common share are computed by dividing net income (loss) by the weighted-average number of shares outstanding. Diluted earnings (loss) per common share include the dilutive effect of stock options, if any.

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Earnings (loss) per common share was computed as follows:

	For the Three Month Periods Ended September 30, 2008	2007
Net income (loss)	($ 78,100)	$ 146,700
Weighted average common shares outstanding	1,181,352	1,145,352
Dilutive securities	-	53,285
Weighted average dilutive common shares outstanding	1,181,352	1,198,637
Basic earnings (loss) per common share	($ .07)	$ .13
Diluted earnings (loss) per common share	($ .07)	$ .12

Approximately 66,000 shares of the Company's common stock issuable upon the exercise of outstanding options were excluded from the calculation of diluted loss per common share for the three months ended September 30, 2008, because the effect would be anti-dilutive.

7. Comprehensive Income (Loss):

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" establishes standards for disclosure of comprehensive income or loss, which includes net income and any changes in equity from non-owner sources that are not recorded in the income statement (such as changes in the net unrealized gains or losses on securities.) The Company's only source of other comprehensive income or loss is the net unrealized gain or loss on securities. The components of comprehensive income (loss) were as follows:

	For the Three Month Periods Ended September 30, 2008	2007
Net income (loss)	($ 78,100)	$ 146,700
Other comprehensive loss, Unrealized holding loss arising during period	(23,100)	(2,200)
Comprehensive income (loss)	($ 101,200)	$ 144,500

8. Goodwill and Other Intangible Assets:

In conjunction with the acquisition of Altamira, management of the Company evaluated the tangible and intangible assets acquired, including customer relationships, non-compete agreements and technology which encompasses trade names, trademarks and licenses. The acquisition agreement provides contingent payments to the former

shareholders based on net sales of the catalyst research instrument operations subject to certain limits, which are expected to be earned and paid. Additional consideration accrued for the thee months ended September 30, 2008 amounted to $4,200. Goodwill amounted to $162,600 and $158,400 at September 30, 2008 and June 30, 2008, respectively.

The components of other intangible assets are as follows:

	Useful Lives	Cost	Accumulated Amortization	Net
At September 30, 2008:				
Technology	5 yrs.	$300,000	$110,000	$190,000
Customer relationships	10 yrs.	237,000	102,100	134,900

Non-compete agreement	5 yrs.	102,000	37,400	64,600
Other intangible assets	5 yrs.	118,800	85,300	33,500
		$757,800	$334,800	$423,000

	Useful Lives	Cost	Accumulated Amortization	Net
At June 30, 2008:				
Technology	5 yrs.	$300,000	$ 95,000	$205,000
Customer relationships	10 yrs.	237,000	90,600	146,400
Non-compete agreement	5 yrs.	102,000	32,300	69,700
Other intangible assets	5 yrs.	115,500	82,000	33,500
		$754,500	$299,900	$454,600

Total amortization expense was $34,900 and $39,800 for the three months ended September 30, 2008 and 2007, respectively. As of September 30, 2008, estimated future amortization expense related to intangible assets is $96,400 for the remainder of fiscal year ending June 30, 2009, $119,600 for fiscal 2010, $107,900 for fiscal 2011, $51,000 for fiscal 2012, $11,500 for fiscal 2013, and $36,600 thereafter.

9. Subsequent Events:

On October 30, 2008 the Company entered into a one-year $500,000 line of credit agreement with its bank. The loans extended thereunder are to be secured by a pledge of all of the Company's assets. The loans are to bear interest at the bank's prime rate. The line of credit, replaces an unused $200,000 line of credit.

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SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES

Item 2. Management's Discussion and Analysis or Plan of Operations

Certain statements contained in this report are not based on historical facts, but are forward-looking statements that are based upon various assumptions about future conditions. Actual events in the future could differ materially from those described in the forward-looking information. Numerous unknown factors and future events could cause such differences, including but not limited to, product demand, market acceptance, impact of competition, the ability to reach final agreements, the ability to finance and produce catalyst research instruments to customers' satisfaction, adverse economic conditions, and other factors affecting the Company's business that are beyond the Company's control. Consequently, no forward-looking statement can be guaranteed.

We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

Liquidity and Capital Resources

Cash and cash equivalents decreased by $669,700 to $395,800 as of September 30, 2008 from $1,065,500 as of June 30, 2008.

Net cash used in operating activities was $512,100 for the three months ended September 30, 2008 as compared to net cash provided by operating activities of $304,800 for the comparable three month period in 2007, due mainly to the loss incurred, higher inventory balances, reduction in accounts payable, accrued expenses, and lower customer advances. Cash used in investing activities was $157,600 for the three months ended September 30, 2008, $128,600 higher than $29,000 cash used for the three months ended September 30, 2007. The increase primarily was the result of additional consideration based on Altamira sales for the relevant period required to be paid pursuant to the Altamira Instruments, Inc. purchase agreement.

On September 26, 2008, the Board of Directors of the Company declared a cash dividend of $.08 per share of Common Stock payable on January 15, 2009 to holders of record as of the close of business on October 27, 2008.

The Company's working capital decreased by $165,500 to $2,610,700 as of September 30, 2008 from the working capital of $2,776,200 at June 30, 2008 mostly due to the loss incurred. The Company has available for its working capital needs, a new one-year line of credit of $500,000 with Capital One Bank replacing an unused $200,000 line of credit originally extended in November 2003. Advances will be secured by the Company's assets. The loans will bear interest at the bank's prime rate. Management believes that the Company will be able to meet its cash flow needs during the 12 months ending September 30, 2009 from its available financial resources including the line of credit and its cash and investment securities.

Results of Operations

Financial Overview

The Company incurred a net loss of $78,100 for the three months ended September 30, 2008 primarily the result of the reduced catalyst research instruments operations sales due in part to vendor-caused delays preventing fulfillment during the period of a major order (only one order was completed during the period); a decrease in the gross profits of the benchtop laboratory instruments operations due to a $60,900 reduction in sales and higher material costs; and an increase of research and development expenses for both segments. The catalyst research instrument operations relies on a small number of large orders, and as a result, experiences significant swings in its revenues and results, particularly when comparing results of interim periods. As of September 30, 2008 backlog for this segment was $893,000, substantially all of which is expected to be shipped and recognized in the current fiscal year. For the three months ended September 30, 2007, the Company had net income of $146,700.

The Three Months Ended September 30, 2008 Compared With the Three Months Ended September 30, 2007

Net sales for the three months ended September 30, 2008 decreased by $528,100 (35.2%) to $972,300 as compared with $1,500,400 for the three months ended September 30, 2007, mainly because of: (i) inability to fulfill during the 2008 period a major order for catalyst research instruments due to vendor-caused delays, and (ii) a $60,900 (6.4%) decrease in sales of benchtop laboratory equipment. Sales of the catalyst research instruments are comprised of a small number of large orders, typically averaging over $100,000 each, while benchtop laboratory equipment sales consist of a large number of small orders usually from stock. As of September 30, 2008, the catalyst research instrument order backlog was $893,000.

The gross profit percentage for the three months ended September 30, 2008 decreased to 34.5% compared to 41.6% for the three months ended September 30, 2007, the result of: (i) the lower sales of the catalyst research instruments operations, and (ii) an increase in raw material costs of the benchtop laboratory equipment operations.

General and administrative expenses for the three months ended September 30, 2008 increased by $17,600 (7.7%) to $245,600 from $228,000 for the comparable period of the prior year, mainly due to an increase in such expenses for the catalyst research instruments operations.

Selling expenses for the three months ended September 30, 2008 decreased by $9,600 (7.8%) to $114,200 from $123,800 for the three months ended September 30, 2007, due to lower trade show related expenses for all operations.

Research and development expenses for the three months ended September 30, 2008 were $96,600, an increase of $36,200 (59.9%) from $60,400 for the three months ended September 30, 2007, due to increased research and development for catalyst research instruments and development of an additional benchtop laboratory equipment product.

Interest and other income decreased by $1,800 (13.8%) to $11,200 for the three months ended September 30, 2008 from $13,000 for the three months ended September 30, 2007 mainly as a result of smaller cash balances.

Due to the loss, the Company had an income tax benefit for the three months ended September 30, 2008 of $32,000 compared to income tax expense of $78,500 for the three months ended September 30, 2007.

As a result of the foregoing, the net loss for the three months ended September 30, 2008 was $78,100 compared to net income of $146,700 for the three months ended September 30, 2007.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this report, based on an evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934), the Chief Executive and Chief Financial Officer of the Company has concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in its Exchange Act reports is recorded, processed, summarized and reported within the applicable time periods specified by the SEC's rules and forms. The Company also concluded that information required to be disclosed in such reports is accumulated and communicated to the Company's management, including its principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting. There was no change in the Company's internal controls over financial reporting that occurred during the most recent fiscal quarter that materially affected or is reasonably likely to materially affect the Company's internal controls over financial reporting.

Part II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit Number: Description

Exhibit Number	Description
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 Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K:
On September 30, 2008 Registrant filed a Report on Form 8-K, reporting under Item 8.01.

SCIENTIFIC INDUSTRIES, INC. AND SUBSIDIARIES

SIGNATURE

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

Scientific Industries, Inc.
____
Registrant

/s/ Helena R. Santos
____
Helena R. Santos
President, Chief Executive Officer
and Treasurer
Principal Executive, Financial and
Accounting Officer

Date: November 14, 2008