NUTRA PHARMA CORP
Form 10-Q
May 20, 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 the quarterly period ended March 31, 2008

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)

791 Park of Commerce Blvd, Suite 300, Boca Raton, FL 33487
(Address of principal executive offices)

(954) 509-0911
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No 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 x

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

The number of shares outstanding of the registrant’s common stock, par value $0.001 per share, at May 12, 2008 was 186,135,682.

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Part I. Financial Information

Item 1. Financial Statements

NUTRA PHARMA CORP.
(A Development Stage Company)
Consolidated Balance Sheets

	March 31, 2008 (Unaudited)	December 31, 2007
ASSETS		
Current assets:		
Cash	$ 114,982	$ 122,810
Inventory	11,425	11,425
Total current assets	126,407	134,235
Receivable from Receptopharm	250,000	-
Other assets	9,950	9,950
TOTAL ASSETS	$ 386,357	$ 144,185
LIABILITIES AND STOCKHOLDERS' (DEFICIT)		
Current liabilities:		
Accounts payable	$ 23,806	$ 22,496
Accrued expenses	22,000	30,000
Due to officers	812,749	1,944,414
Other loans payable	100,000	100,000
Total current liabilities	958,555	2,096,910
Stockholders' (deficit):		
Common stock, $0.001 par value, 2.0 billion shares authorized 166,635,682 and 81,895,682 shares issued and outstanding, respectively	166,636	81,896
Additional paid-in capital	19,988,233	18,074,473
(Deficit) accumulated during the development stage	(20,727,067)	(20,109,094)
Total stockholders' (deficit)	(572,198)	(1,952,725)
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT)	$ 386,357	$ 144,185

See the accompanying notes to the financial statements.

NUTRA PHARMA CORP.
(A Development Stage Company)
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended March 31,		For the Period From February 1, 2000 (Inception) Through March 31,
	2007	2008	2008
Sales	$ -	$ -	$ 20,200
Cost of sales	-	-	3,472
Gross profit	-	-	16,728
Costs and expenses:			
General and administrative	312,970	177,284	7,120,677
Research and development	47,179	-	1,740,237
General and administrative - stock based compensation	-	425,000	7,354,657
Write-off of advances to potential acquiree	-	-	629,000
Finance costs	-	-	786,000
Interest expense	16,012	15,689	411,748
Amortization of license agreement	-	-	155,210
Amortization of intangibles	-	-	656,732
Losses on settlements	-	-	1,261,284
Write-down of investment in subsidiary	-	-	620,805
Equity in loss of unconsolidated subsidiary	-	-	853,540
Write-off of investment in Portage BioMed	-	-	60,000
Write-off of investment in Xenacare	-	-	175,000
Net gain from deconsolidation of Receptopharm	-	-	(1,081,095)
Total costs and expenses	376,161	617,973	20,743,795
Net loss	$ (376,161)	$ (617,973)	$ (20,727,067)
Per share information - basic and diluted:			
Loss per common share	$ (0.01)	$ (0.01)	
Weighted average common shares outstanding	73,280,262	87,318,319	

See the accompanying notes to the financial statements.

NUTRA PHARMA CORP.
(A Development Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,		For the Period From February 1, 2000 (Inception) Years Ended Through March 31,
	2007	2008	2008
Cash flows from operating activities:			
Net cash (used in) operating activities	$ (359,359)	$ (186,328)	$ (5,874,440)
Cash flows from investing activities:			
Cash reduction due to deconsolidation of Infectech	-	-	(2,997)
Cash reduction due to deconsolidation of Receptopharm	-	-	(1,754)
Cash acquired in acquisition of Infectech	-	-	3,004
Acquisition of property and equipment	-	-	(96,029)
Loan to Receptopharm	-	(250,000)	(485,000)
Net cash (used in) investing activities	-	(250,000)	(582,776)
Cash flows from financing activities:			
Common stock issued for cash	-	373,500	3,173,000
Proceeds from convertible loans	-	-	304,750
Proceeds from notes payable	-	-	100,000
Loans from stockholders, net of repayments	351,914	55,000	2,994,448
Net cash provided by financing activities	351,914	428,500	6,572,198
Net increase (decrease) in cash	(7,445)	(7,828)	114,982
Cash - beginning of period	18,892	122,810	-
Cash - end of period	$ 11,447	$ 114,982	$ 114,982
Supplemental Cash Flow Information:			
Cash paid for interest	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -

Non-cash investing and financing activities:			
Assumption of obligation under license agreement	$ -	$ -	$ 1,750,000
Value of shares issued as consideration in acquisition of Nutra Pharma, Inc.	$ -	$ -	$ 112,500
Payments of license fee obligation by stockholder	$ -	$ -	$ 208,550
Conversion of stockholder loan to common stock	$ -	$ 1,200,000	$ 2,062,012
Loan advances to Bio Therapeutics, Inc. by stockholder	$ -	$ -	$ 629,000
Value of common stock issued as consideration in acquisition of Infectech, Inc.	$ -	$ -	$ 4,486,375
Liabilities assumed in acquisition of Infectech, Inc.			$ 115,586
Cancellation of common stock	$ -	$ -	$ 14,806
Value of common stock issued by stockholder to third party in connection with settlement	$ -	$ -	$ 229,500
Value of common stock issued by stockholder to employee for services rendered	$ -	$ -	$ 75,000
Net deferred taxes recorded in connection with acquisition	$ -	$ -	$ 967,586
Notes payable settled with common stock	$ -	$ -	$ 98,000
Settlement of stockholder loan in exchange for common stock of subsidiary	$ -	$ -	$ 1,384,931
Settment of debt with common stock	$ -	$ -	$ 206,750
Expenses paid by stockhoder	$ -	$ -	$ 119,140

See the accompanying notes to the financial statements.

Nutra Pharma Corp.
Notes to Consolidated Unaudited Financial Statements
March 31, 2008

1. BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information and Rule 8.03 of Regulation SX. They do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. For further information, refer to the financial statements of the Company as of December 31, 2007, and for the two years then ended, including notes thereto included in the Company's Form 10-KSB.

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, which require management to make 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. Actual results may differ from these estimates.

Principles of Consolidation

The consolidated financial statements presented herein include the accounts of Nutra Pharma and its subsidiary, Designer Diagnostics Inc. (collectively, the "Company").

Income (Loss) per Share

The Company calculates net income (loss) per share as required by Statement of Financial Accounting Standards (SFAS) 128, "Earnings per Share." Basic earnings (loss) per share, is calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (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 the Company incurs losses, common stock equivalents, if any, are not considered, as their effect would be anti dilutive.

2. BASIS OF REPORTING

The Company's 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. At March 31, 2008, the Company had negative working capital of $832,148, a stockholders' deficit of $572,198 and an accumulated deficit of $20,727,067. In addition, the Company has no revenue generating operations.

The Company's ability to continue as a going concern is contingent upon its ability to secure additional financing, increase ownership equity, and attain profitable operations. In addition, the Company's 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 the Company operates.

The Company is pursuing financing for its operations and seeking additional investments. In addition, the Company is seeking to establish a revenue base. Failure to secure such financing or to raise additional equity capital and to establish a revenue base may result in the Company depleting its available funds and not being able to pay its

obligations.

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.

3. ACQUISITION OF RECEPTOPHARM, INC.

On December 12, 2003, the Company entered into an acquisition agreement (the "Agreement"), whereby it agreed to acquire up to a 49.5% interest in ReceptoPharm, Inc. ("ReceptoPharm"), a privately held biopharmaceutical company based in Ft. Lauderdale, Florida. ReceptoPharm is a development stage company engaged in the research and development of proprietary therapeutic proteins for the treatment of several chronic viral, autoimmune and neuro-degenerative diseases.

Pursuant to the Agreement, the Company acquired its interest in ReceptoPharm's common equity for $2,000,000 in cash, which equates to a purchase price of $.45 per share. ReceptoPharm intended to use such funds to further research and development, which could significantly impact future results of operations.

At December 31, 2005, the Company had funded a total of $1,860,000 to ReceptoPharm under the Agreement, which equated to a 37% ownership interest in ReceptoPharm. In February 2006, the Company funded an additional $140,000 to ReceptoPharm, thereby completing the $2,000,000 investment. As of December 31, 2006, the Company owned 4,444,445 shares or 38% of the issued and outstanding common equity of ReceptoPharm. In addition to its ownership interest, as of December 31, 2006, the Company had loaned ReceptoPharm $825,000 for working capital purposes.

For accounting purposes, the Company through March 31, 2007, had been treating its capital investment in ReceptoPharm as a vehicle for research and development. Because the Company is solely providing financial support to further the research and development of ReceptoPharm, such amounts are being charged to expense as incurred by ReceptoPharm. ReceptoPharm presently has no ability to fund these activities and is dependent on the Company to fund its operations. In these circumstances, ReceptoPharm is considered a variable interest entity and has been consolidated. The creditors of ReceptoPharm do not have recourse to the general credit of the Company.

Effective in April 2007 the Company ceased advancing funds to Receptopharm and had no further commitment to fund them. As such, the Company deconsolidated Receptopharm from its financial statements at June 30, 2007. This deconsolidation resulted in a gain of $1,081,095. This gain resulted from the Company reversing the net losses of Receptopharm included in its consolidated financial statements and including the net losses as if the equity method had been applied. In addition, the Company wrote off the balance of its investment in ($2,000,000) and advances to ($975,000) Receptopharm as discussed above as they were deemed to be impaired at June 30, 2007.

The gain was computed as follows:

Net losses included in the consolidated financial statements	$ 4,056,095
Investment advances and equity method losses	(2,975,000)
Gain on deconsolidation	$ 1,081,095

During the three months ended March 31, 2008, the Company loaned Receptopharm $250,000 for working capital purposes (see Note 9).

4. DUE TO OFFICERS

During the three months ended March 31, 2008, the Company borrowed an additional $55,000 from its President, Rik Deitsch, increasing the total amount owed under to Mr. Deitsch to $2,012,749. This demand loan is unsecured and bears interest at a rate of 4.0%. Included in the amount owed to Mr. Deitsch is $118,374 of accrued interest.

On March 14, 2008, the Company's Board of Directors approved an offer made by Mr. Deitsch, to discharge $1,200,000 of Mr. Deitsch's outstanding loan to the Company in exchange for 48,000,000 shares of restricted common stock. The price per share in this loan conversion was the fair market value of the common shares of $0.025. After this conversion, the remaining balance of Mr. Deitsch's loan to the Company was $812,749 as of March 31, 2008.

5. STOCKHOLDERS' DEFICIT

In December 2007, the Company sold an aggregate of 4,800,000 shares of restricted common stock at $0.025 per share and received gross proceeds of $120,000. These shares were not issued to the purchasers until March 13, 2008.

From January 1 through March 19, 2008, the Company completed private placements of restricted shares of its common stock, whereby it sold an aggregate of 14,940,000 shares at a price per share of $0.025. The Company received proceeds of $373,500 in connection with the sale of these shares.

In total, the Company sold 19,740,000 shares at a price per share of $0.025 and received proceeds of $493,500. In addition, the Company granted one (1) warrant for each share sold which gives each investor the right to purchase one additional share until December 31, 2012 at an exercise price of $0.10 per share.

6. STOCK BASED COMPENSATION

On March 13, 2008, the Company's Board of Directors authorized the issuance of an aggregate of 17,000,000 shares of its restricted common stock in exchange for services rendered, as follows:

1,000,000 shares to each of four (4) consultants
2,000,000 shares to one (1) consultant
1,000,000 shares to an employee of the Company
5,000,000 shares to the Company's Chairman and Chief Executive Officer
2,500,000 shares to a Director of the Company
2,500,000 shares to a Director of the Company

The shares described above were valued at $0.025 per share which was the fair market value of the Company's common stock on the date of grant. The Company recorded stock based compensation of $425,000 in connection with the issuance of these shares.

7. STOCK OPTIONS

A summary of stock options is as follows:

	Number of shares	Weighted average exercise price	Weighted average fair value
Balance December 31, 2007	3,000,000	$ 0.25	$ 0.16
Exercised	-	-	-
Issued	-	-	-

Forfeited	-	-	-
Balance March 31, 2008	3,000,000	$ 0.25	$ 0.16

The following table summarizes information about fixed-price stock options**:**

Exercise Prices	Weighted Average Number Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price
$.20	1,000,000	2.8 years	$ .20
$.27	2,000,000	3.0 years	$ .27
	3,000,000		

All options are vested and exercisable.

8. CONTINGENCIES

On April 4, 2005, a Motion to Enforce Settlement Agreement was filed against the Company in the Circuit Court of Broward County Florida by Bio Therapeutics, Inc. f/k/a Phylomed Corp. in Nutra Pharma Corp. v. Bio Therapeutics, Inc. (17th Judicial Circuit, Case No. 03-008928 (03). This proceeding results from the Company's alleged breach of a settlement agreement that was entered into between Bio Therapeutics and the Company in resolution of a previous lawsuit between the Company and Bio Therapeutics that was resolved by entering into a Settlement Agreement. In conjunction with the settlement agreement, the Company also entered into a related License Agreement and Amendment to the License Agreement ("License Agreement") with Bio Therapeutics regarding certain pieces of intellectual property owned by Bio Therapeutics. In the April 4, 2005 motion, Bio Therapeutics alleges that the Company breached certain provisions of the License Agreement and requested that the Court grant its motion to enforce the Settlement Agreement by declaring the License Agreement terminated, enjoining the Company from further use of license products that was granted to it by the License Agreement, and awarding attorneys' fees and costs to Bio Therapeutics.

During the last quarter of 2007, the Company moved for summary judgment regarding Bio Therapeutics' Motion to Enforce Settlement Agreement and the Court and on April 28, 2008, the Court (i) granted the Company's Cross Motion for Summary Judgment; (ii) declared Bio Therapeutics Amended Motion for Summary Judgment moot; and (iii) denied Bio Therapeutics Motion to Enforce Settlement Agreement.

9. SUBSEQUENT EVENTS

On April 10, 2008, the Company completed a transaction pursuant to which it acquired the remaining sixty-two percent (62%) of Receptopharm's issued and outstanding common shares in exchange for a maximum of 30,000,000 shares of the Company's common stock. Prior to April 10, 2008, the Company owned 4,444,444 shares or approximately 38% of Receptopharm's common stock (See Note 4.) As a result of this transaction, the Company now owns 100% of the issued and outstanding common stock of Receptopharm. As of May 12, 2008, the Company had issued 19,000,000 shares of its common stock in connection with this transaction. In addition, during April 2008, the Company loaned Receptopharm an additional $100,000 for working capital purposes.

On April 29, 2008, the Company's president advanced an additional $100,000 to the Company for working capital purposes, increasing the balance owed to $912,749.

During April 2008, the Company sold 500,000 shares of its restricted common stock to two (2) accredited investors at a price of $0.025 per share and received proceeds of $12,500.

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

PLAN OF OPERATIONS

Pending adequate financing, we plan on spending total estimated expenses of $500,000 for the next 12 months, which will include: (a) $380,000 pertaining directly to our operations; and (b) $120,000 pertaining the operations of our subsidiary, Designer Diagnostics. Our Plan of Operations does not involve: (a) any expected purchase or sale of a plant or significant equipment; and/or (b) any expected significant changes in the number of our employees.

EXPENSES PERTAINING TO OUR OPERATIONS

Type of Expenditure	Total Expenditure	Monthly Expenditure
Salaries*	$ 175,000	$ 14,583
Travel related expenses for our Chief Executive Officer pertaining to research and due diligence	40,000	3,333
Professional Fees -Legal and Accounting	165,000	13,750
Total	$ 380,000	$ 31,666

* Salaries include the following: (a) Chief Executive Officer - $130,000; and (b) Administrative Assistant - $45,000

FUNDING OF DESIGNER DIAGNOSTICS, INC.

Type Expenditure	Total Expenditure	Monthly Expenditure
Operating Expenses (Rent, supplies, utilities)	$ 50,000	$ 4,167
Salaries (President)	70,000	5,833
Total:	$ 120,000	$ 10,000

OUR PLAN OF OPERATIONS TO DATE:

To date, we have accomplished the following in our Plan of Operations:

In approximately October 2005, we completed pre-clinical studies with various companies that ReceptoPharm has agreements with pertaining to ReceptoPharm's Multiple Scherosis (MS) and HIV drugs, which consist of (a) and (b) below:

(a) MS Drug under Development (RPI-78M) - ReceptoPharm conducted microarray and histoculture studies and related analysis of the cells of Multiple Sclerosis patients to ascertain how RPI-78M affected the cells of these patients. Microarray analysis is the study of the gene expression of cells. Histoculture is the study of the entire cellular environment. We measured the effect of RPI-78M on gene expression using cDNA microarray technology to identify any potentially unique changes in gene expression that may be caused by RPI-78M. After statistical evaluation of the data, the researchers found more than sixty genes with significant changes in expression as compared to the control. In analyzing the affected genes, at least thirty of them may have a specific role in the progression of the disease and

symptoms of MS; and

(b) HIV Drug under Development (RPI-MN) - Viral isolates are common mutations of HIV. ReceptoPharm, through an agreement with the University of California, San Diego, conducted research to study the effect of ReceptoPharm's drug under development on different viral isolates to determine the drug's efficacy in mutated forms of the HIV virus. The ability of the HIV virus to establish resistance to therapeutic drugs through genetic mutation is a major concern in the treatment of HIV/AIDS. HIV does not always make perfect copies of itself. With billions of viruses being made every day, lots of small, random differences can occur. The differences are called mutations and these mutations can prevent drugs from working effectively. When a drug no longer works against HIV, this is called drug resistance and the virus with the mutation is considered to be 'resistant' to the drug. With the increasing number of drug-resistant patients, it is of great importance in the development of new HIV/AIDS therapeutics that they will be effective against HIV of known resistance characteristics. The inhibition of multi-resistant HIV-1 strains by RPI-MN preparations was investigated at the La Jolla Institute of Molecular Medicine. The results from these trials indicate that the drug is effective against drug-resistant strains of HIV.

On January 24, 2006, we obtained NanoLogix's intellectual property pertaining to the manufacture of test kits for the rapid isolation, detection and antibiotic sensitivity testing of certain microbacteria, which includes reassignment to us of 11 key patents protecting the diagnostics test kit technology and NanoLogix licensing to us, and the remaining 18 patents that protect the diagnostics test kit technology.

In February 2006, we completed the initial funding of ReceptoPharm in the amount of $2,000,000.

In January 2006, we established Designer Diagnostics to sell NonTuberculois Mycobacterium test kits.

Designer Diagnostics held a Continuing Medical Education Seminar at the Mahatma Gandhi Institute in India on March 24, 2006 during the World Stop TB Day. At that meeting, Designer Diagnostics officially began marketing their test kits for the rapid isolation, detection and antibiotic-sensitivity testing of microbacteria. In March 2006, we made our first sales of Designer Diagnostics' test kits.

In May of 2006, ReceptoPharm received approval from the Medicines Health and Regulatory Agency (MHRA) for its application of human clinical trials for the treatment of Adrenomyeloneuropathy (AMN). The MHRA is the medical regulatory agency within the British Department of Health.

From March and April of 2006, ReceptoPharm published two clinical trials on the use of their technology for the treatment of pain.

In June of 2006, ReceptoPharm published the results of their EAE rat model of MS, which showed that their drug, RPI-78M, had promising results in an accepted animal model of the disease.

In October of 2006, ReceptoPharm received Ethics Committee approval in the United Kingdom to begin its Phase IIb human clinical trial for the treatment of AMN. This approval allows for the late Phase II/early Phase III (Iib/IIIa) trial to begin.

From November 29, 2006 to December 2, 2006, ReceptoPharm presented their analgesic research on RPI-78M at the International Conference on Neurotoxins (ICoN) in Hollywood, Florida.

In January of 2007, we completed a series of microarray studies with various companies that ReceptoPharm has agreements with pertaining to ReceptoPharm's anti-viral drug. The microarray studies indicated that the exposure of healthy immune T-cells to our antiviral drugs activates the primary immune mechanisms. The expression of one such immune trigger, interferon gamma, is increased by as much as 20 times, acting as an effective antiviral agent, but without the significant negative clinical side effects of other interferon-based therapies. This may explain the broad antiviral activity observed with these types of agents. Based upon this data, these products could conceivably be used to substitute for the flu shot in winter or protect against other contagious viral diseases when vaccines are not readily available.

In January of 2007, Designer Diagnostics received positive results from its in-vitro analysis of its Tuberculosis (TB) test kit. Normal culturing methods can take as long as 10 weeks to produce results, where Designer Diagnostics test kits have shown similar results within 10 days.

In January of 2007, ReceptoPharm began its Phase IIb human clinical trial for the treatment of AMN.

In February of 2007, ReceptoPharm expanded their antiviral clinical research into Mexico and Peru where RPI-MN was used in early clinical studies. ReceptoPharm seeks to conduct two Phase II antiviral trials each with a primary duration of 3-4 months.

In March of 2007, Designer Diagnostics engaged the U.S. Commercial Service to help build international sales of its diagnostic test kits.

On March 7, 2007, ReceptoPharm's signed a letter of intent to create a Joint Venture with Nan gene Biotechnology, a Chinese biotech company. The proposed joint venture will develop the antiviral drug, RPI-MN, for the Chinese market.

In March of 2007, ReceptoPharm published an article in the Critical Reviews in Immunology special conference issue. The article, entitled "Alpha-Cobratoxin", discussed Alpha-Cobratoxin as a possible therapy for Multiple Sclerosis, reviews the literature leading to the development for this application, and discusses the background and reasoning behind ReceptoPharm's research on its treatment for Multiple Sclerosis (MS).

On March 27, 2007, we completed our first licensing payment on behalf of Designer Diagnostics to NanoLogix for the patents protecting Designer Diagnostics' test kits.

On April 11, 2007, ReceptoPharm filed a patent for method of treating autoimmune diseases, including MS and Rheumatoid Arthritis.

During April 2007, ReceptoPharm completed its initial discussions with Zhong Xin Dong Tai Co., Ltd ("Nanogene Biotechnology") to develop RPI-MN for the China market. RPI-MN is ReceptoPharm's drug candidate being researched for the treatment of HIV/AIDS and other viral disorders. According to a signed Memorandum of Understand between ReceptoPharm and Nanogene Biotechnology. ReceptoPharm will need to confirm safety and efficacy of RPI_MN by completing pre-clinical studies at Soochow University located in China. Nanogene Biotechnology will provide the drug raw material and ReceptoPharm will modify the products and provide the proper study protocols. Upon successful completion of the pre-clinical studies, ReceptoPharm and Nanogene Biotechnology will proceed with clinical trials aimed at gaining full regulatory approval in China.

On May 2, 2007, Designer Diagnostics announced that it would conduct clinical trials for their Tuberculosis and NonTuberculois Mycobacterium

diagnostic test kits at the National Jewish Medical and Research Center in Denver, Colorado. The purpose of the clinical trials are to validate the efficacy of the test kits for use with Tuberculosis and Non-Tubernulosis Mycobacterium patients as well as for environmental testing. The clinical trials for Designer Diagnostics are the final step required by the FDA prior to applying for FDA regulatory approval of the test kits. The studies are ongoing with plans to complete testing throughout 2008.

During May 2007, Designer Diagnostics completed the an upgrade of its Tuberculosis diagnostic test kits enabling such the test kits to show more rapid and reliable results.

During July 2007, ReceptoPharm successfully completed enrollment in its phase llb human clinical trial for the treatment of AMN.

In August of 2007, ReceptoPharm successful results on the use of their technology for the treatment of pain. The latest data demonstrated that RPI-78 was as effective as morphine at blocking pain signals in that part of the brain that signals the presence of pain. It was also confirmed that the drug did not use an opioid mechanism. Moreover, the duration of RPI-78's effect was superior to morphine's.

In November 2007, the Designer Diagnostics test kit technology was showcased at the 38th Union World Conference on Lung Health in South Africa. The test kits were used to isolate NTM from clinical samples of 300 AIDS patients and for the first time ever on the Indian subcontinent, M. Wolinskyi was successfully isolated in clinical samples. In addition, these test kits were also used for the first time to isolate NTM from soil and water samples collected from the environment of patients with NTM disease.

In November 2007, Designer Diagnostics was featured in an article published in the International Journal of TB and Lung Diseases. The article, which was authored by leading NonTuberculous Mycobacterium (NTM) research scientist, Dr. Rahul Narang, covered Designer Diagnostics' paraffin culture technology to isolate NTM.

In December 2007, ReceptoPharm successfully completed its six-month patient crossover in the Phase IIb/IIIa clinical trial for the treatment of Adrenomyeloneuropathy (AMN).

On December 27, 2007 the Company expanded its licensing agreement with NanoLogix, Inc., to include intellectual property for the use of testing the environment for NonTuberculous Mycobacterium (NTM).

In February 2008, Designer Diagnostics started marketing the first-ever environmental test kit for the detection of Nontuberculous Mycobacteria (NTM) in water and soil.

· On April 10, 2008, we completed the acquisition of ReceptoPharm through our purchase of their remaining 61.9% interest. ReceptoPharm is now our wholly owned subsidiary and will act as our Drug Discovery division.

OUR TWELVE-MONTH PLAN OF OPERATIONS PENDING ADEQUATE FINANCING

We intend to accomplish the following regarding our Plan of Operations over the next twelve months.

Designer Diagnostics, Inc.

Designer Diagnostics' NTM Test Kits are now being marketed and will continue to be marketed to a global audience, including:

Hospitals;

Pharmaceutical companies;

Biotechnology companies;

Medical device distributors;

Governmental organizations;

Environmental testing facilities; and

Government water and soil testing facilities at the local, state and federal levels.

Over the next twelve months, Designer Diagnostics will attempt to distribute the test kits to the above companies and organizations. Our first sales occurred during our second quarter of 2006. When and if sales of the test kits exceed our operating budget, we will use the test kit proceeds to fund drug research and clinical studies in the area of MS and HIV.

Third-party researchers are currently validating Designer Diagnostics' TB Test Kit and we anticipate research completion some time in 2008. Additionally, the test kits are now utilized for environmental analysis for the presence of NTM in the water and/or soil. This allows investigators to easily find the source of contamination and may greatly reduce NTM infections and outbreaks.

Designer Diagnostics' President will attempt to develop a distribution network and actively market the test kits to supply administrators of companies and/or governmental organizations in the following markets: hospitals; pharmaceutical; biotechnology; medical device distributors. Designer Diagnostics will also attempt to acquire other medical diagnostic products to develop that same distribution market. Designer Diagnostic's President will also seek license agreements to develop revenue streams consisting of drug discovery, drug development, and new medical device technologies.

ReceptoPharm

Clinical Studies
In January of 2007, ReceptoPharm began their clinical study in AMN.
AMN is a genetic disorder that affects the central nervous system. The disease causes neurological disability that is slowly progressive over several decades. Throughout our twelve month Plan of Operations and for 3 months thereafter, ReceptoPharm plans to conduct clinical studies of its AMN drug. The study is underway and completed its patient recruitment process and is being conducted by the Charles Dent Metabolic Unit located in London, England to conduct a clinical study that provides for:

Recruitment of 20 patients with AMN;

Administering ReceptoPharm's AMN drug under development; and

Monitoring patients throughout a 15-month protocol.

The clinical study is classified as a Phase IIb/IIIa study and is the final step required for regulatory approval of the drug.

In the areas of HIV and MS, ReceptoPharm plans to complete preclinical studies of its MS drug under development over the next 12 months. These include toxicology studies as well as pharmacokinetic studies required for regulatory approval. ReceptoPharm also plans to conduct clinical studies of its HIV and MS drugs under development. These "Phase II" studies will either prove or disprove the preliminary efficacy of ReceptoPharm's' HIV/MS drugs under development. ReceptoPharm is in the process of attempting to secure agreements with third parties to conduct such clinical studies.

Liquidity and Capital Resources

Our independent registered public accounting firm issued a going concern opinion on our audited financial statements for the fiscal year ended December 31, 2007. We have experienced recurring net losses and at March 31, 2008, we had an accumulated deficit of $20,727,067, a working capital deficit of $832,148 and a stockholders' deficit of $572,918. Our operations have been largely reliant upon receiving loans from our Chief Executive Officer. At March 31, 2008, we were indebted to our Chief Executive Officer in the amount of $812,749. 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.

We have estimated expenses of $500,000 pertaining to our twelve month Plan of Operations or $41,666 of monthly expenditures. Based on our current cash position, we only have enough funds to accomplish our operational plan for a period of three months. Our ability to meet these expenses is dependent upon our ability to raise additional capital or our management loaning us sufficient funds to meet our expenses.

We will attempt to satisfy our estimated cash requirements for our twelve month Plan of Operations through the sale of Designer Diagnostics' test kits; however, if sales do not achieve adequate levels to provide for our operations, we will be have to raise additional capital through divestiture of assets, a private placement of our equity securities or, if necessary, possibly through shareholder loans or traditional bank financing or a debt offering; however, because we are a development stage company with a limited operating history and a poor financial condition, we may be unsuccessful in obtaining shareholder loans, conducting a private placement of equity or debt securities, or in obtaining bank financing. In addition, if we only have nominal funds by which to conduct our operations, we may have to curtail our research and development activities, which will negatively impact development of our possible products.

We have no alternative Plan of Operations. In the event that we do not obtain adequate financing to complete our Plan of Operations or if we do not adequately implement an alternative plan of operations that enables us to conduct operations without having received adequate financing, we may have to liquidate our business and undertake any or all of the following actions:

Sell or dispose of our assets, if any;

Pay our liabilities in order of priority, if we have available cash to pay such liabilities;

If any cash remains after we satisfy amounts due to our creditors, distribute any remaining cash to our shareholders in an amount equal to the net market value of our net assets;

File a Certificate of Dissolution with the State of California to dissolve our corporation and close our business;

Make the appropriate filings with the Securities and Exchange Commission so that we will no longer be required to file periodic and other required reports with the Securities and Exchange Commission, if, in fact, we are a reporting company at that time; and

Make the appropriate filings with the National Association of Security Dealers to effect a delisting of our common stock, if, in fact, our common stock is trading on the Over-the-Counter Bulletin Board at that time.

Based upon our current assets, however, we will not have the ability to distribute any cash to our shareholders. If we have any liabilities that we are unable to satisfy and we qualify for protection under the U.S. Bankruptcy Code, we may voluntarily file for reorganization under Chapter 11 or liquidation under Chapter 7. Our creditors may also file a Chapter 7 or Chapter 11 bankruptcy action against us. If our creditors or we file for Chapter 7 or Chapter 11 bankruptcy, our creditors will take priority over our shareholders. If we fail to file for bankruptcy under Chapter 7 or Chapter 11 and we have creditors, such creditors may institute proceedings against us seeking forfeiture of our assets, if any.

We do not know and cannot determine which, if any, of these actions we will be forced to take. If any of these foregoing events occur, you could lose your entire investment in our shares.

Results of Operations

We did not recognize any revenues in the quarters ended March 31, 2008 and 2007.

General and administrative expenses decreased by 43.4% or $135,686 from $312,970 for the quarter ended March 31, 2007, to $177,284 for the quarter ended March 31, 2008. This decrease is due primarily to the fact that in 2007, we consolidated the results of operations of Receptopharm. We did not consolidate the results of operations of Receptopharm in the quarter ended March 31, 2008.

We incurred a net loss of $617,973 during the quarter ending March 31, 2008 compared to a net loss of $376,161 for the comparable period in 2007. Of the total loss in 2008, $425,000 was attributable to non-cash stock based compensation related to the issuance of 17,000,000 shares of our common stock to employees and consultants in exchange for services rendered.

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, or;

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, other than those which may be disclosed in this Management's Discussion and Analysis of Financial Condition and the audited Consolidated Financial Statements and related notes.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable

Item 4T. Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended ("Exchange Act) we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. This evaluation was carried out under the supervision of our Chief Executive Officer who is also our Principal Financial and Accounting Officer. Following this inspection, this officer concluded that our disclosure controls and procedures were effective as of March 31, 2008, the end of the period covered by this report. There have been no changes in our internal controls or in other factors, which have materially affected, or are reasonably likely to materially affect, internal controls subsequent to the date of the evaluation.

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.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On April 4, 2005, a Motion to Enforce Settlement Agreement was filed against us in the Circuit Court of Broward County Florida by Bio Therapeutics, Inc. f/k/a Phylomed Corp. in Nutra Pharma Corp. v. Bio Therapeutics, Inc. (17th Judicial Circuit, Case No. 03-008928 (03). This proceeding results from our alleged breach of a settlement agreement that was entered into between Bio Therapeutics and us in resolution of a previous lawsuit between us and Bio Therapeutics that was resolved by entering into a Settlement Agreement. In conjunction with the settlement agreement, we also entered into a related License Agreement and Amendment to the License Agreement ("License Agreement") with Bio Therapeutics regarding certain pieces of intellectual property owned by Bio Therapeutics. In the April 4, 2005 motion, Bio Therapeutics alleges that the Company breached certain provisions of the License Agreement and requested that the Court grant its motion to enforce the Settlement Agreement by declaring the License Agreement terminated, enjoining us from further use of license products that was granted to it by the License Agreement, and awarding attorneys' fees and costs to Bio Therapeutics. During the last quarter of 2007, we moved for summary judgment regarding Bio Therapeutics' Motion to Enforce Settlement Agreement and the Court and on April 28, 2008, the Court (i) granted us a Cross Motion for Summary Judgment; (ii) declared Bio Therapeutics Amended Motion for Summary Judgment moot; and (iii) denied Bio Therapeutics Motion to Enforce a Settlement Agreement.

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

We previously filed Forms 8-K filed on the following dates that detail our various securities sales and issuances during the quarter ending March 31, 2008 and thereafter on April 8, 2008 and April 14, 2008.

Item 5. Other Information

We previously filed a Form 8-K on April 14, 2008, which reported that as of March 14, 2008 there was a change in our control whereby our Chief Executive Officer, Rik J. Deitsch obtained control of us as a result of the issuance of an aggregate of fifty-three million (53,000,000) shares of our common stock to Rik J. Deitsch, five million (5,000,000) of which were issued for services and forty-eight million (48,000,000) shares for discharge of debt we owed to him. As of March 31, 2008, Rik J. Deitsch owned 32.7% of our outstanding shares of common stock.

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.

Dated: May 20, 2008

NUTRA PHARMA CORP.
Registrant

/s/ Rik J. Deitsch

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