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

FORM 10-Q

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2013

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to ____

Commission File No. 333-181719

CARDAX, INC.
(Exact name of registrant as specified in its charter)

Delaware	**45-4484428**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2800 Woodlawn Drive, Suite 129, Honolulu, Hawaii 96822
(Address of principal executive offices, zip code)

(808) 457-1400
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the issuer (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 [ ]

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 [X] No [ ]

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

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

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

Yes [ ] No [X]

As of December 31, 2013, there were 10,530,000 shares of common stock, $0.001 par value per share, outstanding.

TABLE OF CONTENTS

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

There are statements in this Quarterly Report on Form 10-Q that are not historical facts. These “forward-looking statements” can be identified by use of terminology such as “anticipate,” “believe,” “estimate,” “expect,” “hope,” “intend,” “may,” “plan,” “positioned,” “project,” “propose,” “should,” “strategy,” “will,” or any similar expressions. You should be aware that these forward-looking statements are subject to risks and uncertainties that are beyond our control. Although we believe that our assumptions underlying such forward-looking statements are reasonable, we do not guarantee our future performance, and our actual results may differ materially from those contemplated by these forward-looking statements. Our assumptions used for the purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances, including the development, acceptance and sales of our products and our ability to raise additional funding sufficient to implement our strategy. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. In light of these numerous risks and uncertainties, we cannot provide any assurance that the results and events contemplated by our forward-looking statements contained in this Quarterly Report on Form 10-Q will in fact transpire. **These forward-looking statements are not guarantees of future performance. You are cautioned to not place undue reliance on these forward-looking statements, which speak only as of their dates.** We do not undertake any obligation to update or revise any forward-looking statements.

RECENT DEVELOPMENTS

On February 7, 2014, Koffee Korner Inc., which is now known as Cardax, Inc. (the “Company”), consummated the merger under that certain Agreement and Plan of Merger dated as of November 27, 2013 (the “Merger Agreement”), by and among Koffee Korner Inc., Cardax Acquisition, Inc., a Delaware corporation and our wholly-owned subsidiary (“Cardax Sub”), Cardax Pharmaceuticals, Inc., a Delaware corporation (“Holdings”), and Cardax Pharma, Inc., a Delaware corporation (“Pharma”), as amended by (i) First Amendment dated as of January 10, 2014 and (ii) Second Amendment dated as of February 7, 2014, Cardax Sub was merged with and into Pharma (the “Merger”). Pharma was the surviving corporation in the Merger. On January 10, 2014, the Company consummated the purchase of shares of common stock (“Stock Purchase Transaction”) of Pharma under the terms of that certain Stock Purchase Agreement dated January 10, 2014.

As a result of the Share Purchase Transaction and the Merger, on February 7, 2014, among other matters,

- Pharma became a wholly-owned subsidiary of the Company and the Company acquired the life sciences business of Pharma.
- The Company changed its name to Cardax, Inc. and amended and restated its bylaws and its certificate of incorporation, which included the increase of the authorized number of shares of the Company’s common stock and the change of the par value to $0.001 per share.
- The Company issued shares of its common stock and warrants to purchase shares of common stock.
- The Company changed its fiscal year end to December 31.
- The Company divested its investment in its subsidiary Koffee Korner’s Inc.

The information provided in this Form 10-Q is as of December 31, 2013 and does not include the significant developments regarding the Share Purchase Transaction, Merger or the other transactions contemplated by the Merger Agreement, including the transactions described above. The Company filed a Current Report on Form 8-K on February 10, 2014, which provides important information regarding the Stock Purchase Transaction, Merger, the Merger Agreement and other transactions consummated on February 7, 2014.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Cardax, Inc.
(Formerly Known As Koffee Korner Inc.)

December 31, 2013 and 2012

Index to the Consolidated Financial Statements

Cardax, Inc.
(Formerly Known As Koffee Korner Inc.)
Consolidated Balance Sheets

	December 31, 2013 (Unaudited)	March 31, 2013
ASSETS		
CURRENT ASSETS		
Cash	$ 6,420	$ 7,529
Prepayments and other current assets	1,091	1,189
Total Current Assets	7,511	8,718
FURNITURE AND EQUIPMENT		
Furniture and equipment	2,545	2,045
Accumulated depreciation	(393)	(24)
Furniture and equipment, net	2,152	2,021
SECURITY DEPOSITS	1,706	1,706
Total Assets	$ 11,369	$ 12,445
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 12,299	$ 4,037
Payroll liabilities	572	709
Sales tax payable	414	548
Advances from stockholder	16,245	16,050
Total Current Liabilities	29,530	21,344
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Preferred stock par value $0.0001: 5,000,000 shares authorized; none issued or outstanding	-	-
Common stock par value $0.0001: 100,000,000 shares authorized, 10,530,000 shares issued and outstanding	1,053	1,053
Additional paid-in capital	78,240	68,240
Accumulated deficit	(97,454)	(78,192)
Total Stockholders' Deficit	(18,161)	(8,899)
Total Liabilities and Stockholders' Deficit	$ 11,369	$ 12,445

See accompanying notes to the consolidated financial statements

Cardax, Inc.
(Formerly Known As Koffee Korner Inc.)
Consolidated Statements of Operations

	For the Three Months Ended December 31, 2013 (Unaudited)	For the Nine Months Ended December 31, 2013 (Unaudited)	For the Three Months Ended December 31, 2012 (Unaudited)	For the Nine Months Ended December 31, 2012 (Unaudited)
NET SALES	$ 19,897	$ 64,839	$ 19,333	$ 55,056
COST OF SALES				
Materials	10,931	28,082	4,883	16,044
Payroll expenses	4,187	14,827	3,442	12,950
Rent	4,904	14,920	4,825	13,306
Total cost of sales	20,022	57,829	13,150	42,300
GROSS MARGIN	(125)	7,010	6,183	12,756
OPERATING EXPENSES:				
Professional fees	5,000	19,815	11,250	31,226
General and administrative expenses	2,493	6,457	2,649	6,497
Total operating expenses	7,493	26,272	13,899	37,723
LOSS BEFORE INCOME TAX PROVISION	(7,618)	(19,262)	(7,716)	(24,967)
PROVISION FOR INCOME TAXES	-	-	-	-
NET LOSS	$ (7,618)	$ (19,262)	$ (7,716)	$ (24,967)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED:	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average common shares outstanding - basic and diluted	10,530,000	10,530,000	10,530,000	10,530,000

See accompanying notes to the consolidated financial statements

Cardax, Inc.
(Formerly Known As Koffee Korner Inc.)
Consolidated Statement of Stockholders' Deficit
For the Nine months Interim Period Ended December 31, 2013 (**Unaudited**) and for the Fiscal Year Ended March 31, 2013

	Common Stock, $0.0001 Par Value		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Number of Shares	Amount			
Balance, March 31, 2012	10,530,000	$ 1,053	$ 68,240	$ (13,036)	$ 56,257
Net loss				(65,156)	(65,156)
Balance, March 31, 2013	10,530,000	1,053	68,240	(78,192)	(8,899)
Capital contribution			10,000		10,000
Net loss				(19,262)	(19,262)
Balance, December 31, 2013	10,530,000	$ 1,053	$ 78,240	$ (97,454)	$ (18,161)

See accompanying notes to the consolidated financial statements

Cardax, Inc.
(Formerly Known As Koffee Korner Inc.)
Consolidated Statements of Cash Flows

	For the Nine Months Ended December 31, 2013 (Unaudited)	For the Nine Months Ended December 31, 2012 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (19,262)	$ (24,967)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation expense	369	-
Changes in operating assets and liabilities:		
Accounts receivable	-	3,809
Prepayments and other current assets	98	584
Accounts payable	8,262	-
Payroll liabilities	(137)	(273)
Sales tax payable	(134)	(75)
NET CASH USED IN OPERATING ACTIVITIES	(10,804)	(20,922)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(500)	-
NET CASH USED IN INVESTING ACTIVITIES	(500)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from shareholder advances	195	11,300
Capital contribution	10,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	10,195	11,300
NET CHANGE IN CASH	(1,109)	(9,622)
Cash at beginning of period	7,529	22,419
Cash at end of period	$ 6,420	$ 12,797
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -

See accompanying notes to the consolidated financial statements

Note 1 - Organization and Operations

These financial statements present the financial information and results of operations of Koffee Korner's Inc, prior to the merger (the "Merger") of Cardax Acquisition, Inc., a special purpose subsidiary of the Company, with Cardax Pharma, Inc.

Koffee Korner's Inc. (Texas)

Koffee Korner's Inc. ("Koffee Korner's Texas" or "Predecessor") was incorporated on July 7, 2003 under the laws of the State of Texas. Koffee Korner's Texas purchases and roasts high-quality whole bean coffees that it sells, along with handcrafted coffee and tea beverages and a variety of fresh food items, through its retail store in Houston, Texas.

Cardax, Inc. (Delaware)

Cardax, Inc., formerly known as Koffee Korner Inc. ("Cardax Delaware" or the "Company") was incorporated on January 30, 2012 under the laws of the State of Delaware for the sole purpose of acquiring all of the issued and outstanding capital of Koffee Korner's Texas. Upon formation, the Company issued an aggregate of 10,000,000 shares of the newly formed corporation's common stock to the sole stockholder of Koffee Korner's Texas for all of the issued and outstanding capital of Koffee Korner's Texas. No value was given to the stock issued by the newly formed corporation. Therefore, the shares were recorded to reflect the $.0001 par value and paid in capital was recorded as a negative amount of ($1,000). The acquisition process utilizes the capital structure of the Company and the assets and liabilities of Koffee Korner's Texas, which are recorded at historical cost.

The Company applied paragraph 505-10-S99-3 of the FASB Accounting Standards Codification (formerly Topic 4B of the Staff Accounting Bulletins ("SAB")("SAB Topic 4B") issued by the U.S. Securities and Exchange Commission (the "SEC"), by reclassifying the Koffee Korner's Texas's capital account of $15,247 and undistributed earnings of $21,026 as of January 30, 2012 to additional paid-in capital.

The accompanying consolidated financial statements have been prepared as if the Company had its corporate capital structure as of the first date of the first period presented.

Change in Control

On July 1, 2013, the Stockholder of 10,000,000 shares of common stock of the Company, representing approximately 87% of the then issued and outstanding common stock of the Company, entered into a securities purchase agreement pursuant to which she sold 9,050,000 common shares to AAK Ventures, LLC, a Delaware limited liability company, for $316,503, less the amount of all liabilities of the Company as of July 1, 2013.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation-Unaudited Interim Financial Information

The accompanying unaudited interim consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission ("SEC") to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim financial statements furnished reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year. These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company for the fiscal year ended March 31, 2013 and notes thereto contained in the Company's Annual Report on Form 10-K filed with the SEC on June 6, 2013.

Fiscal Year-End

The Company elected March 31st as its fiscal year-end date.

Principles of Consolidation

The Company applies the guidance of Topic 810 *"Consolidation"* of the FASB Accounting Standards Codification ("ASC") to determine whether and how to consolidate another entity. Pursuant to ASC Paragraph 810-10-15-10 all majority-owned subsidiaries—all entities in which a parent has a controlling financial interest—shall be consolidated except (1) when control does not rest with the parent, the majority owner; (2) if the parent is a broker-dealer within the scope of Topic 940 and control is likely to be temporary; (3) consolidation by an investment company within the scope of Topic 946 of a non-investment-company investee. Pursuant to ASC Paragraph 810-10-15-8 the usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, of more than 50 percent of the outstanding voting shares of another entity is a condition pointing toward consolidation. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders, or by court decree. The Company consolidates all less-than-majority-owned subsidiaries, if any, in which the parent's power to control exists.

The Company's consolidated subsidiaries and/or entities are as follows:

Name of consolidated subsidiary or entity	State or other jurisdiction of incorporation or organization	Date of incorporation or formation (date of acquisition, if applicable)	Attributable interest
Koffee Korner's Inc. (Texas)	The State of Texas	July 7, 2003	100%

The consolidated financial statements include all accounts of the Company and the consolidated subsidiaries and/or entities as of reporting period ending date(s) and for the reporting period(s) then ended.

All inter-company balances and transactions have been eliminated.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amount of revenues and expenses during the reporting period.

The Company's significant estimates and assumptions include the fair value of financial instruments; revenue recognized or recognizable; income tax rate, income tax provision, deferred tax assets and valuation allowance of deferred tax assets; and the assumption that the Company will be a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly.

Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally unobservable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's financial assets and liabilities, such as cash, prepayments and other current assets, accounts payable, payroll liabilities and sales tax payable, approximate their fair values because of the short maturity of these instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company follows paragraph 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, which include furniture and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner or use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company's stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The key assumptions used in management's estimates of projected cash flow deal largely with forecasts of sales levels, gross margins, and operating costs of the manufacturing facilities. These forecasts are typically based on historical trends and take into account recent developments as well as management's plans and intentions. Any difficulty in manufacturing or sourcing raw materials on a cost effective basis would significantly impact the projected future cash flows of the Company's manufacturing facilities and potentially lead to an impairment charge for long-lived assets. Other factors, such as increased competition or a decrease in the desirability of the Company's products, could lead to lower projected sales levels, which would adversely impact cash flows. A significant change in cash flows in the future could result in an impairment of long lived assets.

Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Furniture and Equipment

Furniture and equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of furniture and equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life of five (5) years. Upon sale or retirement of computer equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Leases

Lease agreements are evaluated to determine whether they are capital leases or operating leases in accordance with paragraph 840-10-25-1 of the FASB Accounting Standards Codification ("Paragraph 840-10-25-1"). When substantially all of the risks and benefits of property ownership have been transferred to the Company, as determined by the test criteria in Paragraph 840-10-25-1, the lease then qualifies as a capital lease. Capital lease assets are depreciated on a straight line method, over the capital lease assets estimated useful lives consistent with the Company's normal depreciation policy for tangible fixed assets. Interest charges are expensed over the period of the lease in relation to the carrying value of the capital lease obligation.

Rent expense for operating leases, which may include free rent or fixed escalation amounts in addition to minimum lease payments, is recognized on a straight-line basis over the duration of each lease term.

Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a) affiliates of the Company; b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d) principal owners of the Company; e) management of the Company; f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a) the nature of the relationship(s) involved; b) a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c) the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Commitment and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Revenue Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

Income Tax Provision

The Company was a Subchapter S corporation, until January 30, 2012 during which time the Company was treated as a pass through entity for federal income tax purposes. Under Subchapter S of the Internal Revenue Code stockholders of an S corporation are taxed separately on their distributive share of the S corporation's income whether or not that income is actually distribute.

Effective January 30, 2012, the Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25"). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying consolidated balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its consolidated balance sheets and provides valuation allowances as management deems necessary.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management's opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no adjustments to its income tax liabilities or benefits pursuant to the provisions of Section 740-10-25 for the nine months interim period ended December 31, 2013 or 2012.

Net Income (Loss) per Common Share

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially dilutive outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent share arrangements, stock options and warrants.

There were no potentially dilutive common shares outstanding for the interim period ended December 31, 2013 or 2012.

Cash Flows Reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments.

Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recently Issued Accounting Pronouncements

In January 2013, the FASB issued ASU No. 2013-01, "*Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*". This ASU clarifies that the scope of ASU No. 2011-11, "*Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities.*" applies only to derivatives, repurchase agreements and reverse purchase agreements, and securities borrowing and securities lending transactions that are either offset in accordance with specific criteria contained in FASB Accounting Standards Codification or subject to a master netting arrangement or similar agreement. The amendments in this ASU are effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013.

In February 2013, the FASB issued ASU No. 2013-02, "*Comprehensive Income (Topic 220): Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income.*" The ASU adds new disclosure requirements for items reclassified out of accumulated other comprehensive income by component and their corresponding effect on net income. The ASU is effective for public entities for fiscal years beginning after December 15, 2013.

In February 2013, the Financial Accounting Standards Board, or FASB, issued ASU No. 2013-04, "*Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for which the Total Amount of the Obligation Is Fixed at the Reporting Date.*" This ASU addresses the recognition, measurement, and disclosure of certain obligations resulting from joint and several arrangements including debt arrangements, other contractual obligations, and settled litigation and judicial rulings. The ASU is effective for public entities for fiscal years, and interim periods within those years, beginning after December 15, 2013.

In March 2013, the FASB issued ASU No. 2013-05, "*Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity.*" This ASU addresses the accounting for the cumulative translation adjustment when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. The guidance outlines the events when cumulative translation adjustments should be released into net income and is intended by FASB to eliminate some disparity in current accounting practice. This ASU is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013.

In March 2013, the FASB issued ASU 2013-07, *"Presentation of Financial Statements (Topic 205): Liquidation Basis of Accounting."* The amendments require an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. Liquidation is imminent when the likelihood is remote that the entity will return from liquidation and either (a) a plan for liquidation is approved by the person or persons with the authority to make such a plan effective and the likelihood is remote that the execution of the plan will be blocked by other parties or (b) a plan for liquidation is being imposed by other forces (for example, involuntary bankruptcy). If a plan for liquidation was specified in the entity's governing documents from the entity's inception (for example, limited-life entities), the entity should apply the liquidation basis of accounting only if the approved plan for liquidation differs from the plan for liquidation that was specified at the entity's inception. The amendments require financial statements prepared using the liquidation basis of accounting to present relevant information about an entity's expected resources in liquidation by measuring and presenting assets at the amount of the expected cash proceeds from liquidation. The entity should include in its presentation of assets any items it had not previously recognized under U.S. GAAP but that it expects to either sell in liquidation or use in settling liabilities (for example, trademarks). The amendments are effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entities should apply the requirements prospectively from the day that liquidation becomes imminent. Early adoption is permitted.

The Company did not adopt any of the aforementioned accounting pronouncements early. Furthermore, the Company does not anticipate that the adoption of any of the guidance items referred to above will have a material impact on the Company's consolidated financial statements.

Note 3 – Going Concern

The consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the consolidated financial statements, the Company had an accumulated deficit at December 31, 2013 and a net loss for the nine months interim period then ended. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 – Furniture and Equipment

Furniture and equipment stated at cost, less accumulated depreciation consisted of the following:

	Estimated Useful Lives (Years)	December 31, 2013	March 31, 2013
Furniture and equipment	5	$ 2,545	$ 2,045
Less accumulated depreciation		(393)	(24)
		$ 2,152	$ 2,021

Depreciation Expense

Depreciation expense is included in the Statements of Operations. Depreciation expense was $369 and $0 for the nine months interim period ended December 31, 2013 and 2012, respectively.

Note 5 – Related Party Transactions

Advances from Stockholder

From time to time, the former CEO and significant stockholder of the Company advanced funds to the Company for working capital purposes. These advances are unsecured, non-interest bearing and due on demand.

As of December 31, 2013 and March 31, 2013, the Company owed $16,245 and $16,050, respectively for advances made to the Company.

Note 6 – Commitments and Contingencies

Operating Lease

On February 1, 2013, the Company entered into a five (5) year non-cancelable operating lease for coffee shop space commencing on March 1, 2013 and expiring on February 29, 2018. Future minimum lease payments required under this non-cancelable operating lease are as follows:

Fiscal Year ending March 31:	
2014 (remaining)	$ 3,349
2015	13,398
2016	13,398
2017	13,398
2018	12,282
	$ 55,825

Note 7 – Stockholders' Equity (Deficit)

Shares Authorized

Upon formation the total number of shares of all classes of stock which the Company is authorized to issue was One Hundred and Five Million (105,000,000) shares of which Five Million (5,000,000) shares was be Preferred Stock, par value $0.0001 per share, and One Hundred Million (100,000,000) shares was be Common Stock, par value $0.0001 per share.

Common Stock

On January 30, 2012, upon formation, the Company issued an aggregate of 10,000,000 shares of the newly formed corporation's common stock to the sole stockholder of Koffee Korner's Texas for all of the issued and outstanding capital of Koffee Korner's Texas. No value was given to the common shares issued by the newly formed corporation. Therefore, the shares were recorded to reflect the $0.0001 par value and paid in capital was recorded as amount of negative $1,000.

On January 30, 2012, the Company sold 200,000 shares of common stock at par value $0.0001 per share to an individual for $20.

For the period from February 22, 2012 through February 29, 2012, the Company sold 330,000 shares of common stock at $0.10 per share to thirty three (33) individuals, or $33,000 in aggregate for cash.

Capital Contribution

On July 1, 2013, the former CEO and significant stockholder of the Company paid $10,000 of Company debt. The transaction resulted in a reduction in the above debt and a corresponding increase in additional paid-in capital.

Note 8 – Subsequent Events

The following subsequent event disclosure includes transactions between Cardax, Inc. ("Cardax", the "Company," "we," "our" or "us"), Cardax Pharma, Inc. ("Pharma") and Pharma's predecessor, Cardax Pharmaceuticals, Inc. ("Holdings").

On February 7, 2014, the closing date (the "Closing Date") of the Merger (as described below), we accepted the terms of, and entered into that certain Subscription Agreement dated as of February 7, 2014, by and between Pharma and the purchasers of securities named therein (the "Subscription Agreement"). The Subscription Agreement provided for aggregate gross cash proceeds to us of $3,923,100 in exchange for the issuance and sale of an aggregate 6,276,960 of shares of our common stock ("Common Stock") (after giving effect to the Stock Dividend described below), and the grant of Warrants to purchase an aggregate of 6,276,960 shares of our Common Stock (after giving effect to the Stock Dividend) for a price per share of $0.625, subject to certain specified adjustments for changes or reclassifications to our Common Stock, that will expire in five years.

On the Closing Date of the Merger, we assumed the obligations of Pharma under the following agreements, which are collectively referred to as the "Placement Agent Agreements":

- that certain Placement Agent Agreement dated January 3, 2014, by and between Pharma and Portfolio Advisors Alliance, Inc. ("Portfolio Advisors"), and acknowledged by Agincourt Ltd. ("Agincourt");

- that certain Financial Consulting Agreement dated January 3, 2014, by and between Pharma and Portfolio Advisors Alliance, and acknowledged by Agincourt;

- that certain Exclusive Investment Banking Agreement dated as of March 12, 2013, and supplemented as of May 21, 2013 and December 3, 2013, by and among Holdings, Pharma, and Agincourt, as the placement agent (the "Exclusive Investment Banking Agreement"); and

- that certain Sub-Agency Agreement dated December 12, 2013, by and between Agincourt and Paulson Investment Company, Inc., as the sub-agent, and acknowledged by Holdings and Pharma (the "Sub-Agency Agreement", and collectively with the Exclusive Investment Banking Agreement, the "Agincourt Agreements").

Pursuant to the Subscription Agreement and the Placement Agent Agreements, we issued and sold an aggregate of 6,276,960 shares of Common Stock (after giving effect to the Stock Dividend) at a price per share of $0.625, and granted warrants to purchase an aggregate of 8,537,405 shares of Common Stock (after giving effect to the Stock Dividend) at a price per share of $0.625, subject to certain specified adjustments for changes or reclassifications to our Common Stock.

On January 10, 2014, pursuant to the Stock Purchase Agreement dated January 10, 2014 (the "Purchase Agreement"), by and among Cardax, Pharma and Holdings, we acquired 66.67 shares of common stock of Pharma, which represented 40% of the issued and outstanding shares of common stock of Pharma after giving effect to the issuance of such shares, in exchange for an aggregate of 30,000,000 shares of our Common Stock (after giving effect to the Stock Dividend) that we issued to Pharma. Pharma transferred the shares of our Common Stock to Holdings as a dividend. Immediately prior to the closing (the "Closing") of the Merger, Holdings owned 60% of Pharma and approximately 39% of our issued and outstanding shares of Common Stock.

On the Closing Date of the Merger, in accordance with the terms of the Agreement and Plan of Merger dated as of November 27, 2013 (the "Merger Agreement"), by and among Cardax, Cardax Acquisition, Inc., a Delaware corporation and our wholly-owned subsidiary ("Cardax Sub"), Holdings, and Pharma, as amended by (i) First Amendment dated as of January 10, 2014 and (ii) Second Amendment dated as of February 7, 2014, Cardax Sub was merged with and into Pharma (the "Merger"). Pharma was the surviving corporation in the Merger. There was no cash consideration exchanged in the Merger. Accordingly, on the Closing Date of the Merger, Pharma became our wholly-owned subsidiary and we acquired the life sciences business of Pharma.

Under the terms of the Merger Agreement, prior to or at the Closing of the Merger:

We authorized a stock dividend of 3.4 shares of our Common Stock for each one share of Common Stock to stockholders of record on January 9, 2014 (the "Stock Dividend"), which will be distributed after the Merger; and

Our certificate of incorporation and the bylaws were amended and restated.

In accordance with the terms of the Purchase Agreement, the Merger Agreement, the Subscription Agreement, the Placement Agent Agreements, options granted under our 2014 Equity Compensation Plan (the "2014 Plan"), including options granted in substitution of the options granted by Holdings under its 2006 Stock Incentive Plan (the "2006 Plan"), and the Services Agreement (as defined below), on the Closing Date, we issued the following shares of Common Stock, warrants and options to purchase shares of Common Stock:

Holder	**Securities**	**Shares of Common Stock**[(1)]
Holdings	Common Stock	33,229,093[(2)]
Holders of senior secured convertible promissory notes previously issued by Pharma	Common Stock	14,446,777
Holders of senior secured convertible promissory notes previously issued by Pharma	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	14,446,777
Holders of convertible unsecured promissory notes issued by Pharma	Common Stock	3,353,437
Holders of convertible unsecured promissory notes issued by Pharma	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	3,321,600
Purchasers of Common Stock under the Subscription Agreement and the Agincourt Agreements	Common Stock	6,276,960
Purchasers of Common Stock under the Subscription Agreement and the Agincourt Agreements	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	6,276,960
Placement agents and other persons	Warrants to purchase shares of Common Stock at $0.625 per share that will expire in 5 years	3,660,445[(3)]
Certain Service Providers	Warrants to purchase shares of Common Stock at specified price that are not less than $1.25 per share that will expire in 3 years	700,000[(4)]
Employees, service providers, and other persons	Equity incentive options or other grants under the 2014 Plan	27,756,821

(1) Number of shares after giving effect to the Stock Dividend.

(2) Represents 30,000,000 shares of our Common Stock issued pursuant to the Purchase Agreement and 3,229,093 shares of our Common Stock issued pursuant to the Merger Agreement.

(3) Includes (a) a warrant issued to Highline Research Advisors LLC, which is owned by an affiliate of a principal of Agincourt, to purchase an aggregate of 750,000 shares of our Common Stock, at an exercise price of $0.625 per share, issued in connection with investor relations and financial consulting services provided to Holdings and Pharma and services to be provided to us after the Merger, and (b) a warrant issued to an entity that provides certain website and investment relations related services to us to purchase an aggregate of 250,000 shares of our Common Stock, at an exercise price of $0.625 per share

(4) A warrant to purchase up to 700,000 shares of our Common Stock, that provides for the purchase of: (i) until the date that is 2 years after the Closing Date of the Merger, 500,000 shares at a price based on the initial trading price of the shares of our Common Stock on February 10, 2014 but not less than $1.25 per share; (ii) until the date that is 3 years after the Closing Date of the Merger,100,000 shares at 140% of the price per share of the initial tranche of 500,000 shares; and (iii) until the date that is 3 years after the Closing Date of the Merger, 100,000 shares at 140% of the price per share of the second tranche, all as provided in the form of such warrant which is filed as an exhibit to this Current Report on Form 8-K (the "JLS Warrant").

All of the shares of Common Stock and warrants issued, described above, including pursuant to the Purchase Agreement, the Merger Agreement, the Subscription Agreement, the Placement Agent Agreements, and the options we granted under our 2014 Plan are restricted securities, as defined in paragraph (a) of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). All such securities were issued pursuant to an exemption from the registration requirements of the Securities Act, under Section 4(2) of the Securities Act and the rules and regulations promulgated thereunder.

We intend to prepare and file a registration statement on Form S-1 within 60 days after the Closing Date of the Merger, to permit a resale of the shares of Common Stock and the shares of Common Stock underlying the warrants that were issued in connection with the Merger, Subscription Agreement and Placement Agent Agreements.

Concurrently with the Closing of the Merger, AAK Ventures, LLC, a Delaware limited liability company ("AAK") and the owner of 39,820,000 restricted shares of Common Stock (after giving effect to the Stock Dividend), which represented approximately 52% of our outstanding shares of Common Stock immediately prior to the Closing, delivered to Cardax all of such shares for cancellation, and AAK ceased being a stockholder of Cardax. Austin Kibler, our sole Chief Executive Officer and sole director immediately prior to the Closing, is the sole member of AAK. In addition, concurrently with the Closing of the Merger, certain of our stockholders delivered to us for cancellation an aggregate of 963,604.4 freely tradable shares of our Common Stock.

On the Closing Date, we distributed all of the issued and outstanding shares of our wholly-owned subsidiary, Koffee Korner's Inc., a Texas corporation, which operated our retail coffee business, to Nazneen D'Silva.

On February 7, 2014, Cardax Sub was merged with and into Pharma pursuant to the Merger Agreement. Item 2.01(f) of Form 8-K provides that if the registrant was a shell company, other than a business combination related shell company, as those terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), immediately before the transaction, then the registrant must disclose the information that would be required if the registrant were filing a general form for registration of securities on Form 10 under the Exchange Act reflecting all classes of the registrant's securities subject to the reporting requirements of Section 13 of the Exchange Act upon consummation of the transaction. We are providing below the information that we would be required to disclose on Form 10 under the Exchange Act as if Cardax was a shell company immediately before the transaction. Please note that the information provided below relates to the combined enterprises after the Merger of Cardax Sub with and into Pharma, except as the context may otherwise require.

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

Management's Discussion and Analysis contains statements that are forward-looking. These statements are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of factors discussed in "Factors That May Affect Future Results and Financial Condition."

RECENT DEVELOPMENTS

Certain recent developments regarding the Company are discussed above in this Form 10-Q.

OVERVIEW

Revenue Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED December 31, 2013 AND 2012

Segment information

We report information about operating segments, as well as disclosures about our services and geographic areas. Operating segments are defined as revenue-producing components of the enterprise, which are generally used internally for evaluating segment performance.

Our revenue base is derived from sales of coffee, other beverages and complementary food at our single retail location. We have concluded that we have only one reportable segment.

OPERATIONS

Net Revenues

Total revenue for the three months ended December 31, 2013 was $19,897 compared to $19,333 for the three months ended December 31, 2012. This represents a minimal increase.

Cost of Sales

Total cost of sales for the three months ended December 31, 2013 was $20,022 compared to $13,150 for the three months ended December 31, 2012. The increase reflects increased costs for coffee and other supplies. Our costs of sales are materials, payroll expenses and rent. The cost of materials, primarily coffee beans, comprised almost the entire increase.

Operating Expenses

Operating expenses for the three months ended December 31, 2013 was $7,493 compared to $13,899 for the three months ended December 31, 2012. The decrease was due to decreased professional costs such as accounting and legal fees related to the Company's public reporting obligations.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED DECEMBER 31, 2013 AND 2012

Segment information

We report information about operating segments, as well as disclosures about our services and geographic areas. Operating segments are defined as revenue-producing components of the enterprise, which are generally used internally for evaluating segment performance.

Our revenue base is derived from sales of coffee, other beverages and complementary food at our single retail location. We have concluded that we have only one reportable segment.

OPERATIONS

Net Revenues

Total revenue for the nine months ended December 31, 2013 was $64,839 compared to $55,056 for the nine months ended December 31, 2012. This represents an increase of $9,783 from that of the prior fiscal period. This increase was due to higher foot traffic we received for the interim period ended December 31, 2013.

Cost of Sales

Total cost of sales for the nine months ended December 31, 2013 was $57,829 compared to $42,300 for the nine months ended December 31, 2012. This represents an increase of $15,529 from that of the prior fiscal period. This increase costs for coffee and other supplies. Our costs of sales are materials, payroll expenses and rent. Almost two-thirds of the increase was an increase in material costs (primarily coffee beans).

Operating Expenses

Operating expenses for the nine months ended December 31, 2013 was $26,272 compared to $37,723 for the nine months ended December 31, 2012. This represents a decrease of $11,451 from that of the prior fiscal period. This decrease was due to decreased professional costs such as accounting and legal fees related to the Company's public reporting obligations.

Liquidity and Capital Resources

Since our inception, we have financed our operations through equity from our principal and funds generated by our business. As of December 31, 2013, we had $6,420 in cash. We believe that cash on hand may not be adequate to satisfy our ongoing working capital needs for more than one year.

Net Cash Used in Operating Activities

Net cash used in operating activities amounted to $10,804 for the nine months ended December 31, 2013 compared to net cash used in operating activities of negative $20,922 for the nine months ended December 31, 2012.

Material changes in cash from operations was the company using credit to fund operations, as reflected by the increase in accounts payable.

Net Cash Used by Investing Activities

Net cash used in investing activities amounted to $500 for the nine months ended December 31, 2013 compared to net cash used in investing activities of $0 for the nine months ended December 31, 2012.

Net Cash Provided by Financing Activities

Net cash provided by financing activities for the nine months ended December 31, 2013 was $10,195 compared to $11,300 in net cash received in financing activities for the nine months ended December 31, 2012.

Off Balance Sheet Arrangements

None

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information called for by this Item.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (b) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of the our management and directors; and (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Based on our evaluation under the framework in Internal Control—Integrated Framework, our management concluded that our internal control over financial reporting was not effective as of December 31, 2013.

In light of the material weaknesses described below, additional analyses and other procedures were performed to ensure that the Company's condensed consolidated financial statements included in this Quarterly Report on Form 10-Q were prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). These measures included expanded quarter-end closing procedures, the dedication of significant internal resources to scrutinize account analyses and reconciliations, and management's own internal reviews and efforts to remediate the material weaknesses in internal control over financial reporting described below.

Changes in Internal Controls over Financial Reporting

Except as described below, there were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

In-Process Remediation Actions to Address the Internal Controls Weaknesses

Management identified the following material weaknesses in the Company's internal control over financial reporting as of March 31, 2013, which continue to exist as of December 31, 2013:

1. Lack of a functioning audit committee. The Company lacks a majority of independent members and lacks a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures.

2. Segregation of Duties. The Company has inadequate segregation of duties consistent with control objectives of having segregation of the initiation of transactions, the recording of transactions and the custody of assets.

3. Control activities relating to period end reporting. The Company has ineffective controls over period end financial disclosure and reporting processes.

RECENT DEVELOPMENTS

Certain recent developments regarding the Company are discussed above in this Form 10-Q.

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we have initiated, or plan to initiate, the following series of measures:

We will increase our personnel resources and technical accounting expertise within the accounting function when funds are available to us. First, we will create a position to segregate duties consistent with control objectives of having separate individuals perform (i) the initiation of transactions, (ii) the recording of transactions and (iii) the custody of assets. Second, we will create a senior position to focus on financial reporting and standardizing and documenting our accounting procedures with the goal of increasing the effectiveness of the internal controls in preventing and detecting misstatements of accounting information. Third, we plan to appoint one or more outside directors to our board of directors who shall be appointed to an audit committee resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures such as reviewing and approving estimates and assumptions made by management when funds are available to us.

Management believes that the appointment of one or more outside directors, who shall be appointed to a fully functioning audit committee, will remedy the lack of a functioning audit committee and a lack of a majority of outside directors on our Board.

We anticipate that these initiatives will be at least partially, if not fully, implemented within the next twelve months. However, due to our small size and limited resources we could experience additional delays in implementation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is not currently subject to any legal proceedings. From time to time, the Company may become subject to litigation or proceedings in connection with its business, as either a plaintiff or defendant. There are no such pending legal proceedings to which the Company is a party that, in the opinion of management, is likely to have a material adverse effect on the Company's business, financial condition or results of operations.

ITEM 1A. RISK FACTORS

As a smaller reporting company, we are not required to provide the information called for by this Item.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits.

Number	Description
31.1*	Certification of Principal Executive Officer pursuant to Rule 13A-14(A) under the Securities Exchange Act of 1934.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13A-14(A) under the Securities Exchange Act of 1934.
32.1*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

** Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of any registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise are not subject to liability under those sections.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 19, 2014

CARDAX, INC.

By: */s/ David G. Watumull*
David G. Watumull
Chief Executive Officer and President

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, David G. Watumull, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cardax, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 19, 2014

/s/ David G. Watumull
David G. Watumull
Chief Executive Officer (principal executive officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934

I, John B. Russell, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cardax, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 19, 2014

/s/ John B. Russell
John B. Russell
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Cardax, Inc. (the “Company”) on Form 10-Q for the quarterly period ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Quarterly Report”), I, David G. Watumull, Chief Executive Officer, do hereby certify, to my knowledge:

(1) The Quarterly Report fully complies with the requirements of Section 13(a), or 15(d) of the Securities Exchange Act of 1934; and

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

Date: February 19, 2014

By: */s/ David G. Watumull*
David G. Watumull
Chief Executive Officer (principal executive officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cardax, Inc. and will be retained by Cardax, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Cardax, Inc. (the “Company”) on Form 10-Q for the quarterly period ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Quarterly Report”), I, John B. Russell, Chief Financial Officer, do hereby certify, to my knowledge:

(1) The Quarterly Report fully complies with the requirements of Section 13(a), or 15(d) of the Securities Exchange Act of 1934; and

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

Date: February 19, 2014

By: */s/ John B. Russell*
John B. Russell
Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Cardax, Inc. and will be retained by Cardax, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.