



10005 Muirlands Blvd.  
Suite G  
Irvine, CA 92618

Dear Stockholder:

Our annual meeting of stockholders will be held at our headquarters, 10005 Muirlands Blvd., Suite G, Irvine, California 92618, at 9:00 a.m., local time, on Thursday, May 20, 2010. The formal meeting notice and our proxy statement for the meeting are attached.

Each of the proposals to be presented at the annual meeting is described in the accompanying proxy statement. We urge you to carefully review the proxy statement which discusses each of the proposals in more detail.

Whether or not you attend the annual meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to sign, date and promptly return the enclosed proxy card in the postage-paid envelope enclosed for that purpose. Returning your completed proxy will ensure your representation at the annual meeting.

We look forward to seeing you on May 20, 2010.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Frank L. Jaksch Jr.", written in a cursive style.

FRANK L. JAKSCH JR.  
*Co-Chairman of the Board of Directors*

May 4, 2010

**Important Notice Regarding the Availability of Proxy Materials for the  
Stockholder Meeting to Be Held on May 20, 2010:**

The proxy statement and annual report to security holders are available at  
<http://www.chromadex.com/ir/proxy2010.pdf>

# CHROMADEx CORPORATION

10005 Muirlands Blvd.  
Suite G  
Irvine, CA 92618

## NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 20, 2010

TO OUR STOCKHOLDERS:


NOTICE IS HEREBY GIVEN that the 2010 annual meeting of stockholders of ChromaDex Corporation, a Delaware corporation (the "Company"), will be held at 9:00 a.m., local time, on Thursday, May 20, 2010, at the Company's headquarters located at 10005 Muirlands Blvd., Suite G, Irvine, California 92618, for the following purposes:

1. to elect seven directors to hold office until the next annual meeting of stockholders and thereafter until their successors have been elected and qualified. Our seven nominees are: Mr. Frank L. Jaksch Jr., Mr. Thomas C. Varvaro, Mr. Stephen Block, Mr. Reid Dabney, Mr. Hugh Dunkerley, Mr. Mark S. Germain and Mr. Kevin M. Jaksch;
2. to amend the Certificate of Incorporation to increase the number of authorized shares of common stock of the Company from 50,000,000 shares to 150,000,000 shares;
3. to amend the Second Amended and Restated 2007 Equity Incentive Plan to, among other revisions, increase the number of shares of the common stock reserved for issuance to 20% of the shares of common stock issued and outstanding;
4. to ratify the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for the fiscal year ending January 1, 2011;
5. to transact any other business that may properly come before the annual meeting.

Your Board recommends that you vote "FOR" each of the proposals. Stockholders of record at the close of business on April 20, 2010, are entitled to vote at the annual meeting and any postponement or adjournment thereof.

All stockholders are cordially invited to attend the annual meeting in person. To ensure your representation at the annual meeting, you are urged to mark, sign, date and return the enclosed proxy card promptly in the postage-paid envelope enclosed for that purpose. Any stockholder attending the annual meeting may vote in person even if he or she previously returned a proxy.

By Order of the Board of Directors,



THOMAS C. VARVARO  
*Secretary*

Irvine, California  
May 4, 2010

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## PROXY STATEMENT

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### ANNUAL MEETING OF STOCKHOLDERS OF CHROMADEx CORPORATION TO BE HELD MAY 20, 2010

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#### INFORMATION ABOUT THE ANNUAL MEETING

This proxy statement contains information related to the annual meeting of stockholders of ChromaDex Corporation, a Delaware corporation (the “Company,” “we,” “us,” or “our”), which will be held on Thursday, May 20, 2010 at our headquarters located at 10005 Muirlands Blvd., Suite G, Irvine, California 92618, or at any adjournment or postponement thereof.

#### **What is the purpose of the annual meeting?**

At the annual meeting, stockholders will consider and vote upon the following matters:

- to elect seven directors to our Board of Directors;
- to amend the Certificate of Incorporation to increase the authorized number of shares of common stock of the Company from 50,000,000 shares to 150,000,000 shares;
- to amend the Second Amended and Restated 2007 Equity Incentive Plan to, among other revisions, increase the number of shares of the common stock reserved for issuance to 20% of the shares of common stock issued and outstanding;
- to ratify the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for the fiscal year ending January 1, 2011; and
- to transact any other business that may properly come before the annual meeting.

We sent you these proxy materials because our Board of Directors is requesting that you allow your shares of our common stock to be represented at the meeting by the proxyholders named in the enclosed proxy card. This proxy statement contains information that we are required to provide you under the rules of the Securities and Exchange Commission (the “SEC”), and that is designed to assist you in voting your shares. We began mailing these proxy materials on or about May 6, 2010 to all stockholders of record at the close of business on April 20, 2010.

#### **Who is entitled to vote at the annual meeting?**

Holders of record of our common stock at the close of business on April 20, 2010 are entitled to vote at the annual meeting. As of April 20, 2010, there were 28,838,216 shares of our common stock outstanding. Stockholders are entitled to cast one vote per share on each matter presented for consideration and action at the annual meeting.

*Your vote is important.* Stockholders can vote in person at the annual meeting or by proxy. If you vote by proxy, the individuals named on the proxy card as representatives will vote your shares in the manner you indicate. You may specify whether your shares should be voted for all, some or none of the nominees for director and whether your shares should be voted “For”, “Against” or “Abstain” with respect to each of the other proposals.

#### **What votes are needed to hold the annual meeting?**

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of our common stock is necessary to constitute a quorum for the transaction of business at the annual meeting. If you have returned a valid proxy or attend the meeting in person, your outstanding shares of common stock will be counted for the

purpose of determining whether there is a quorum, even if you wish to abstain from voting on some or all matters at the annual meeting. Votes cast by proxy or in person at the annual meeting will be tabulated by the inspectors of election appointed for the annual meeting who will also determine whether or not a quorum is present. For purposes of determining whether a quorum is present, abstentions and “broker non-votes,” if any, will be counted as present.

### **How does the Board of Directors recommend that I vote on the proposals?**

If no instructions are indicated on your valid proxy, the proxyholders will vote in accordance with the recommendations of the Board of Directors. The Board recommends a vote:

- “FOR” each of the nominees for director listed in this proxy statement;
- “FOR” approval of the amendment to the Certificate of Incorporation to increase the authorized number of shares of Common Stock of the Company from 50,000,000 shares to 150,000,000 shares;
- “FOR” approval of the amendment to the Second Amended and Restated 2007 Equity Incentive Plan to, among other revisions, increase the number of shares of the common stock reserved for issuance to 20% of the shares of common stock issued and outstanding; and
- “FOR” the ratification of the appointment of McGladrey & Pullen, LLP as our independent registered public accounting firm for the fiscal year ending January 1, 2011.

With respect to any other matter that properly comes before the meeting or any adjournment or postponement thereof, the proxyholders will vote as recommended by the Board, or if no recommendation is given, in their own discretion.

### **If my shares are held in “street name” by my broker, will my broker vote my shares for me?**

Under the rules that govern brokers who have record ownership of shares that are held in “street name” for their clients, who are the beneficial owners of the shares, brokers have discretion to vote these shares on routine matters but not on non-routine matters. A “broker non-vote” occurs when a broker expressly instructs on a proxy card that it is not voting on a matter, whether routine or non-routine. Broker non-votes are counted for the purpose of determining the presence or absence of a quorum but are not counted for determining the number of votes cast for or against a proposal.

We expect that your broker will have discretionary authority to vote your shares on the proposal for the approval of the amendment to the Company’s Certificate of Incorporation to increase the authorized number of shares of common stock for issuance by the Company (Proposal No. 2) and for the ratification of McGladrey & Pullen, LLP as our independent registered public accounting firm for the fiscal year ending January 1, 2011 (Proposal No. 4), based on these proposals being routine matters, but not on the proposal to elect directors (Proposal No. 1) or on the amendment to the Second Amended 2007 Equity Incentive Plan to, among other revisions, increase the number of shares of the common stock reserved for issuance to 20% of the shares of common stock issued and outstanding (Proposal No. 3), which are non-routine matters. Unlike previous years, brokers holding shares beneficially owned by their clients will no longer have the ability to cast votes with respect to the election of directors unless they have received instructions from the beneficial owner of the shares. In addition, a broker is prohibited from voting on, without instruction, proposals that authorize the implementation of any material revision to the terms of any existing equity compensation plan. As a result, if you do not provide specific voting instructions to your record holder, that record holder will not be able to vote on Proposal No. 1 or Proposal No. 3. It is therefore important that you provide voting instructions to your broker if your shares are held by a broker so that your vote with respect to directors and the equity plan amendment is counted.

### **Can I change my vote after I have mailed my signed proxy card?**

There are three ways in which you can change your vote before your proxy is voted at the annual meeting. First, you can send our secretary a written notice stating that you revoke your proxy. Second, you can complete and

submit a new proxy card, dated a later date than the first proxy card. Third, you can attend the annual meeting and vote in person. Your attendance at the annual meeting will not, however, by itself revoke your proxy. If you hold your shares in “street name” and have instructed your broker, bank or other nominee to vote your shares, you must follow directions received from your broker, bank or other nominee to change those instructions.

### **What vote is required to approve each proposal?**

Directors are elected by a plurality of the votes present in person or represented by proxy. This means that the seven individuals nominated for election to the Board who receive the most votes will be elected. Approval of the amendment of the Certificate of Incorporation requires the affirmative vote of a majority of our outstanding shares of common stock.

Approval of the amendment of the Second Amended and Restated 2007 Equity Incentive Plan and ratification of McGladrey & Pullen, LLP as our independent registered public accounting firm as well as approval of any other proposals to be brought before the annual meeting, require the affirmative vote of a majority of the shares of our common stock present in person or represented by proxy and entitled to vote on the subject matter.

### **What is the effect of abstentions and broker non-votes and how may I vote my shares?**

*Election of Directors.* The election of directors is a non-routine matter for brokers that hold their clients’ shares in “street name.” The brokers do not have discretion to vote your shares on a non-routine matter. If a quorum is present and voting, the seven nominees receiving the highest number of votes will be elected to the Board of Directors. Abstentions will not be counted in the election of directors. You may vote “For” all nominees, “Withhold” your vote from all nominees, or vote “For” one or more nominees and “Withhold” your vote from the other nominees.

*Amendment to the Certificate of Incorporation to increase the authorized number of shares of common stock.* We expect that the proposal seeking stockholder approval of the amendment to the Certificate of Incorporation to increase the authorized number of shares of common stock will be eligible for discretionary voting by brokers that hold their clients’ shares in “street name.” Brokers have discretion to vote your shares on a routine matter. Abstentions will have the same effect as a negative vote. You may vote “For”, “Against” or “Abstain” on the proposal to amend the Certificate of Incorporation of the Company.

*Amendment to the Second Amended and Restated 2007 Equity Incentive Plan.* The amendment to the Second Amended and Restated 2007 Equity Incentive Plan to, among other revisions, revise the number of shares of common stock reserved for issuance to 20% of the shares of common stock issued and outstanding, is a non-routine matter for brokers that hold their clients’ shares in “street name.” Brokers do not have discretion to vote your shares on a non-routine matter. If a quorum is present and voting, the affirmative vote of a majority of the shares of our common stock present in person or represented by proxy and entitled to vote will be required to approve the amendment to the equity plan. Accordingly, broker non-votes will not have any effect on this proposal since such shares are not considered entitled to vote on this matter. Abstentions will have the same effect as a negative vote. You may vote “For”, “Against” or “Abstain” on the proposal to amend the Second Amended and Restated 2007 Equity Incentive Plan.

*Ratification of the appointment of McGladrey & Pullen, LLP as independent registered public accounting firm.* The ratification of the appointment of an independent registered public accounting firm is a routine matter for brokers that hold their clients’ shares in “street name.” The brokers have discretion to vote your shares on a routine matter. Abstentions will have the same effect as a negative vote. You may vote “For”, “Against” or “Abstain” on the proposal of ratifying our independent registered accounting firm.

**PROPOSAL NO. 1:  
ELECTION OF DIRECTORS**

Our Board of Directors currently consists of seven members, four of whom are independent within the independence requirements of Marketplace Rule 4350(d)(2) of the NASDAQ Stock Market, Inc. We are proposing to re-elect all seven existing Board members. Consequently, at the annual meeting, a total of seven directors will be elected to hold office until the 2011 annual meeting of stockholders and until their successors have been elected and qualified. Notwithstanding the foregoing, following the annual meeting, in the event the Private Placement is consummated, as defined and further disclosed in Proposal No. 2 “Approval of an Amendment to the Certificate of Incorporation to Increase the Authorized Number of Shares of Common Stock,” below, Mr. Thomas C. Varvaro and Mr. Kevin Jaksch will resign from our Board of Directors in favor of two other individuals who will join our Board of Directors. See “Persons Chosen to Become Directors in Connection with the Private Placement,” below.

Unless otherwise instructed, the proxyholders will vote the proxies received by them for the seven nominees named below. If any of our nominees is unable or declines to serve as a director at the time of the annual meeting, the proxies will be voted for any nominee designated by the present Board to fill the vacancy. It is not presently expected that any of the nominees named below will be unable or will decline to serve as a director. If additional persons are nominated for election as directors, the proxyholders intend to vote all proxies received by them in a manner to assure the election of as many of the nominees listed below as possible. In such event, the specific nominees to be voted for will be determined by the proxyholders.

**Board of Directors Nominees, Qualifications and Diversity**

Pursuant to its charter, the Nominating and Corporate Governance Committee met in April 2010 to consider the knowledge, experience, integrity and judgment of possible candidates for nomination as members of the Board of Directors of the Company. The Committee focused on factors including: broad-based skill-sets and experiences; leadership; proven ability to exercise sound judgment; prominence and reputation in the candidate’s profession; global business and social perspective; concern for the long-term interests of the Company’s shareholders and personal values. In addition, the Committee considered the potential contribution to the diversity of backgrounds, experience and competencies which the Company and its shareholders desire to have represented on the Board of Directors and the ability of the candidate to devote sufficient time and effort to his duties as a director. The Committee reviews, at least annually, the size, structure and membership of the Board of Directors and its underlying committees. In conducting its review, the Committee considers the contributions of existing directors and the overall needs of the Company. In assessing the abilities necessary to meet the overall needs of the Company, the experience set of the directors taken as a whole is reviewed to ensure such needs are met. The experiences required to be reflected by the Board as a whole for the Company include financial expertise, an understanding of the industries in which the Company operates, experience as a director of other public companies, marketing and sales experience, scientific expertise, exposure to mergers and acquisitions, international business experience, as well as independence and diversity. Listed below are the biographical summaries and ages as of the date hereof of individuals nominated for election as directors as well as information about each individual’s qualification and experience that contributes to the overall needs of the Board as determined by the Nominating and Corporate Governance Committee:

*Frank L. Jaksch Jr.*, 41, is a co-founder of ChromaDex and has served as Co-Chairman of the Board and Chief Executive Officer since 2000. Mr. Jaksch oversees strategy, operations and marketing for the Company with a focus on scientific products and pharmaceutical and nutraceutical markets. From 1993 to 1999, Mr. Jaksch served as International Subsidiaries Manager of Phenomenex, a life science supply company where he managed the international subsidiary and international business development divisions. Mr. Jaksch earned a B.S. in Chemistry and Biology from Valparaiso University. Frank L. Jaksch Jr. is the brother of Kevin Jaksch. The Nominating and Corporate Governance Committee believes that Mr. Jaksch’s years of experience working in chemistry-related industries, his extensive sales and marketing background,



and his knowledge of international business allow him to bring an understanding of the industries in which the Company operates as well as scientific expertise to the Company and the Board of Directors.

*Thomas C. Varvaro*, 40, has served as ChromaDex's Chief Financial Officer since 2004 and Secretary since 2006. He has also served as a director since 2006. Mr. Varvaro oversees operations, accounting, information technology, inventory, distribution, and human resources management for the Company. Mr. Varvaro has developed skills in process mapping, information technology custom application design, enterprise risk systems deployment, plant automation and reporting and bar code tracking implementation from his prior business experiences. From 1998 to 2004, Mr. Varvaro was employed by Fast Heat Inc., a Chicago, Illinois based global supplier to the plastics, HVAC, packaging, and food processing industries, where he began as Controller and was promoted to Chief Information Officer and then Chief Financial Officer during his tenure. From 1993 to 1998, Mr. Varvaro was employed by Maple Leaf Bakery, USA, a Chicago, Illinois based company, during its rise to becoming a national leader in specialty food products. Mr. Varvaro served as Staff Accountant and was promoted to Assistant Controller during his tenure. He earned a B.S. in Accounting from University of Illinois, Urbana, and is a Certified Public Accountant. The Nominating and Corporate Governance Committee believes that Mr. Varvaro's 16 years of experience in accounting and management roles along with the exposure that he has had to corporate mergers and acquisitions allows him to bring financial expertise and corporate management experience to the Company and the Board.

*Stephen Block*, 65, has been a director of ChromaDex since 2007 and Chair of the Compensation Committee, a member of the Audit Committee and a member of the Nominating and Corporate Governance Committee since 2007. Mr. Block is also a director and Chair of the Nominating and Corporate Governance Committee and a member of the Audit Committee of Senomyx, Inc., a public biotech company. He has served on the Board of Senomyx, Inc. since 2005. He also serves as the Chairman of the Board of Blue Pacific Flavors and Fragrances, Inc., and as a director of Allylix, Inc., Vigilistics, Inc., and Masher Media, Inc. of which he was also a co-founder. He has served on the board of these privately held companies since 2007, 2008, and 2009, respectively. Mr. Block retired as Senior Vice President, General Counsel and Secretary of International Flavors and Fragrances Inc., a leading creator, manufacturer and seller of flavors and fragrances (IFF) in December 2003, having been IFF's chief legal officer since 1993. During his eleven years at IFF he also led the company's Regulatory Affairs Department. Prior to 1993, Mr. Block served as Senior Vice President, General Counsel, Secretary and Director of GAF Corporation, a company specializing in specialty chemicals and building materials, and its publicly traded subsidiary International Specialty Products Inc., held various management positions with Celanese Corporation, a company specializing in synthetic fibers, chemicals and plastics, and practiced law with the New York firm of Stroock Stroock & Lavan. Mr. Block currently serves as an industry consultant and as a member of the Executive Committee of Orange County Tech Coast Angels, a leading angel investing group, and as a managing director of Venture Farm LLC, an early stage venture capital firm. Mr. Block received his B.A. *cum laude* in Russian Studies from Yale University and his law degree from Harvard Law School. The Nominating and Corporate Governance Committee believes that Mr. Block's experience as the Chief Legal Officer of one of the world's leading flavor and fragrance companies contributes to the Board's understanding of the flavor industry, including the Board's perspective on the strategic interests of potential collaborators, the regulation of the industry, and the viability of various commercial strategies. In addition, Mr. Block's experience in the area of corporate governance and public company financial reporting is especially valuable to the Board in his capacity as a member of both the Audit Committee and the Compensation Committee.

*Reid Dabney*, 58, has served as a director of ChromaDex and has chaired the Audit Committee since October 2007. Since November 2008, he has also served as a Managing Director of Monarch Bay Associates, LLC. From March 2005 to November 2008, Mr. Dabney served as Cecors, Inc.'s (CEOS.OB) (a Software As A Service (SaaS) technology provider's) Senior Vice President and Chief Financial Officer. From July 2003 to November 2005, Mr. Dabney was engaged by CFO911 as a business and financial consultant. From January 2003 to August 2004, Mr. Dabney served as Vice President of National Securities, a broker-dealer firm specializing in raising equity for private operating businesses that have agreed to become public companies through reverse merger transactions with publicly traded shell companies. From

June 2002 to January 2003, Mr. Dabney was the Chief Financial Officer of House Ear Institute in Los Angeles, California. Mr. Dabney received a B.A. from Claremont McKenna College and an M.B.A. in Finance from the University of Pennsylvania's Wharton School. Mr. Dabney also holds Series 7, 24 and 63 licenses from the Financial Industry Regulatory Authority (FINRA). The Nominating and Corporate Governance Committee believes that Mr. Dabney's experience as CFO of a public company and his extensive experience dealing with financial markets qualify him to chair the Audit Committee and that Mr. Dabney brings financial, merger and acquisition experience, and a background working with public marketplaces to the Board.

*Hugh Dunkerley*, 36, has served as a director of ChromaDex since December 2005. From October 2002 to December 2005, Mr. Dunkerley served as Director of Corporate Development at ChromaDex. Mr. Dunkerley has been Manager of Capital Markets for the FDIC, Division of Resolutions and Receiverships, since February 2009. He was President and Chief Executive Officer of Cecors, Inc. (OTCBB:CEOS.OB), a Software As A Service (SaaS) technology provider, from October 31, 2007 to February 17, 2009. He had served as Cecor's Chief Operating Officer from June 2007 to October 31, 2007 and as Vice President of Corporate Finance from June 2006 to June 2007. From January 2006 to July 2006, Mr. Dunkerley served as Vice President of Small-Mid Cap Equities at Hunter Wise Financial Group, LLC, specializing in investment banking advisory services to US and EU companies. Mr. Dunkerley received his undergraduate degree from the University of Westminster, London and earned a MBA from South Bank University, London. Mr. Dunkerley also holds Series 7 and 66 licenses from FINRA. The Nominating and Corporate Governance Committee believe that Mr. Dunkerley's experience as CEO of a public company and his extensive financial market experience qualify him to sit on the Nominating and Corporate Governance Committee and that Mr. Dunkerley brings financial and mergers and acquisitions experience, and experience with public marketplaces and regulatory oversight to the Board. His previous experience as an employee of the Company also allows him to provide a unique perspective of and extensive knowledge on the industries in which the Company operates.

*Mark S. Germain*, 59, has served as Co-Chairman of the Board of Directors since he co-founded ChromaDex in 2000 and he has served on the Audit Committee since October 2007. Mr. Germain has extensive experience as a merchant banker in the biotech and life sciences industries. He has been involved as a founder, director, Chairman of the Board of, and/or investor in over twenty companies in the biotech field, and assisted many of them in arranging corporate partnerships, acquiring technology, entering into mergers and acquisitions, and executing financings and going public transactions. He graduated from New York University School of Law, Order of the Coif, in 1975 and was a partner in a New York law firm practicing corporate and securities law before entering the private sector in 1986. Between 1986 and 1991, he served businesses in senior executive capacities, including as president of a public company sold in 1991. In addition to his role as a Co-Chairman of the Company, Mr. Germain is currently a director of the following publicly traded companies: Omnimmune Holdings, Inc. (OTCBB: OMMHE.OB), a biotechnology company, Stem Cell Innovations, Inc. (OTC:SCLL.PK), a cell biology company, Collexis Holdings, Inc. (OTC:CLXS.PK), a developer of semantic search and knowledge discovery software, and Pluristem Therapeutics, Inc. (NASDAQ:PSTI), a bio-therapeutics company. During the past five years, Mr. Germain also served as a board member of two publicly traded companies, Reis, Inc. (NASDAQ: REIS), a commercial real estate market information provider, and Intellect Neurosciences, Inc. (OTCBB: ILNS.OB), a biopharmaceutical company. He is also a co-founder and director of a number of private companies in the biotechnology field. The Nominating and Corporate Governance Committee believes that Mr. Germain's past experience as the president of a public company and as the board member of other public companies bring financial expertise, industry knowledge, and merger and acquisition experience to the Board.

*Kevin M. Jaksch*, 39, has served as a director of ChromaDex since 2000. Since 2000, Mr. Jaksch has served as Vice President and Branch Manager at Charles Schwab & Co., Inc. (NYSE: SCHW). Mr. Jaksch has been a registered representative for 17 years and a registered principal for 14 years overseeing two offices with over four billion in assets. Mr. Jaksch has broad experience in the financial markets and financial advising. Mr. Jaksch earned a B.A. in Communications from the University of Southern California in Los Angeles. Kevin Jaksch is the brother of Frank L. Jaksch Jr. The Nominating and Corporate Governance Committee

believes that Mr. Jaksch's experience trading in and working with financial markets provides unique knowledge of the investor side of the financial markets as well financial expertise to the Board.

### **Vote Required and Recommendation of the Board of Directors**

The seven nominees receiving the highest number of votes will be elected to the Board of Directors, if a quorum is present and voting.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE NOMINEES LISTED ABOVE.**

### **Persons Chosen to Become Directors in Connection with the Private Placement**

If the Private Placement described in Proposal No. 2: "Approval of an Amendment to the Certificate of Incorporation to Increase the Authorized Number of Shares of Common Stock – Purpose of the Charter Amendment – Private Placement," closes, Mr. Thomas Varvaro and Mr. Kevin Jaksch have agreed to resign from the Board of Directors and two designees (the "Subscriber Designees") of Subscribers representing at least 70% of the Private Placement Shares to be purchased in the Private Placement will be appointed by the Company as directors in their place.

The Nominating and Corporate Governance Committee will review the Subscriber Nominees based on the same qualifications, and diversity standards it uses to recommend its slate of director nominees for election at the annual meeting. Listed below are the biographical summaries and ages, as of the date hereof, of the two Subscriber Designees submitted to the Company. Subject to legal and corporate governance requirements including the affirmative recommendation of the Company's Nominating and Governance Committee and the approval of the Board of Directors, the Company expects to appoint Michael Brauser and Glenn Halpryn to the Board of Directors in connection with the closing of the Private Placement:

*Michael H. Brauser*, 54, has been the manager of, and an investor with, Marlin Capital Partners, LLC, a private investment company, since 2003. From 1999 to 2002, he served as President and Chief Executive Officer of Naviant, Inc. (eDirect, Inc.), an Internet Marketing Company. He also was the founder of Seisant, Inc. (eData.com, Inc.). Mr. Brauser has served as Co-Chairman of the Board of Directors of Interclick, Inc. (NASDAQCM:ICLK) since August 28, 2007.

*Glenn L. Halpryn*, 49, has been the Chief Executive Officer and a Director of Transworld Investment Corporation, a private investment company, since June 2001. Mr. Halpryn currently serves as a Director of Sorrento Therapeutics (OTCBB:SRNE.OB), a biopharmaceutical company, Castle Brands Inc. (AMEX:ROX), a developer and international marketer of premium branded spirits, and SearchMedia Holdings Limited (AMEX:IDI), a billboard and in-elevator advertising company. Since 2008, Mr. Halpryn has also served as a Director of Winston Pharmaceuticals, Inc. (OTCBB:WPHM.OB), a pharmaceutical company specializing in skin creams and pain medications. From October 2002 to September 2008, Mr. Halpryn served as a Director of Ivax Diagnostics, Inc. (AMEX:IVD). Mr. Halpryn served as Chairman of the Board and Chief Executive Officer of Orthodontix, Inc. (now Protalix BioTherapeutics, Inc.) (AMEX:PLX) from April 2001 to December 2006. From April 1988 to June 1998, Mr. Halpryn was Vice Chairman of Central Bank, a Florida state-chartered bank. Since June 1987, Mr. Halpryn has been the President of and a beneficial holder of stock of United Security Corporation, a broker-dealer registered with FINRA.

For additional information about the Private Placement and the appointment of the Subscriber Designees to the Board upon the closing of the Private Placement, see Proposal No. 2: "Approval of an Amendment to the Certificate of Incorporation to Increase the Authorized Number of Shares of Common Stock – Purpose of the Charter Amendment – Private Placement." In the event the closing of the Private Placement does not occur, the Subscriber Designees will not be appointed to the Board of Directors. While the Company expects that the Private Placement will occur promptly following the annual meeting, there is no guarantee that such transaction will be consummated.

## CORPORATE GOVERNANCE

### Director Independence

Under the NASDAQ Stock Market Marketplace Rules, a director will only qualify as an independent director if, in the opinion of our Board, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that each of Stephen Block, Reid Dabney, Hugh Dunkerley and Mark Germain has no material relationship with our Company and is independent within the independence requirements of Marketplace Rule 4350(d)(2) of the NASDAQ Stock Market, Inc. Frank L. Jaksch Jr. does not meet the aforementioned independence standards because he is the Chief Executive Officer of our Company, Thomas C. Varvaro does not meet the independence standards because of he is the Chief Financial Officer of our Company, and Kevin Jaksch does not meet the independence standards because he is the brother of Frank L. Jaksch Jr., who is the Chief Executive Officer of our Company.

### Board Committees

The Board has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Other committees may be established by the Board from time to time. Following is a description of each of the committees and their composition.

*Audit Committee.* Our Audit Committee currently consists of three directors: Messrs. Reid Dabney (chairman), Mark S. Germain and Stephen Block. The Board has determined that:

- Mr. Dabney qualifies as an “audit committee financial expert,” as defined by the SEC in Item 407(d)(5) of Regulation S-K; and
- all members of the Audit Committee (i) are “independent” under the independence requirements of Marketplace Rule 4350(d)(2) of the NASDAQ Stock Market, Inc., (ii) meet the criteria for independence as set forth in the Securities Exchange Act of 1934, as amended (the “Exchange Act”), (iii) has not participated in the preparation of our financial statements at any time during the past three years and (iv) is financially literate and have accounting and finance experience.

The Audit Committee is governed by a charter, which was adopted by the Board and is available on our website at [www.chromadex.com/ir/corpgov.html](http://www.chromadex.com/ir/corpgov.html). Among other things, the charter calls upon the Audit Committee to:

- oversee our auditing, accounting and control functions, including having primary responsibility for our financial reporting process;
- monitor the integrity of our financial statements to ensure the balance, transparency and integrity of published financial information;
- monitor our outside auditors’ independence, qualifications and performance;
- monitor our compliance with legal and regulatory requirements; and
- monitor the effectiveness of our internal controls and risk management system.

It is not the duty of the Audit Committee to determine that our financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Our management is responsible for preparing our financial statements, and our independent registered public accounting firm is responsible for auditing those financial statements. Our audit committee does, however, consult with management and our independent registered public accounting firm prior to the presentation of financial statements to stockholders and, as appropriate, initiates inquiries into various aspects of our financial affairs. In addition, the Audit Committee is responsible for retaining, evaluating and, if appropriate, recommending the termination of our independent registered public accounting firm and approving professional services provided by them. The Audit Committee held four meetings during 2009.

*Compensation Committee.* Our Compensation Committee consists of three members: Messrs. Stephen Block (chairman), Frank L. Jaksch Jr. and Kevin Jaksch. The Board has determined that:

- Stephen Block qualifies as an “independent” member under the independence requirements of Marketplace Rule 4350(d)(2) of the NASDAQ Stock Market, Inc.;
- all members of the Compensation Committee qualify as “non-employee directors” under Exchange Act Rule 16b-3 other than Frank L. Jaksch Jr.; and
- all members of the Compensation Committee qualify as “outside directors” under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “Code”) other than Frank L. Jaksch Jr.

The Compensation Committee is governed by a charter, which was adopted by the Board and is available on our website at [www.chromadex.com/ir/corpgov.html](http://www.chromadex.com/ir/corpgov.html). Among other things, our Compensation Committee determines the compensation of the Chief Executive Officer (with Mr. Jaksch recusing himself), reviews and approves compensation for all other executive officers as presented by the Chief Executive Officer, reviews and makes recommendations with respect to incentive compensation plans and equity-based plans, and provides oversight and guidance for compensation and benefit programs for all of our employees. The Compensation Committee does not use the services of any external consultant in determining either executive or director compensation. The Compensation Committee held four meetings during 2009.

*Nominating and Corporate Governance Committee.* Our Nominating and Corporate Governance Committee consists of three members: Messrs. Thomas C. Varvaro (chairman), Hugh Dunkerley and Stephen Block. The Board has determined that all members of the Nominating and Corporate Governance Committee, other than Mr. Varvaro, qualify as “independent” under the independence requirements of Marketplace Rule 4350(d)(2) of the NASDAQ Stock Market, Inc. The Nominating and Corporate Governance Committee is governed by a charter that was adopted by the Board and is available on our website at [www.chromadex.com/ir/corpgov.html](http://www.chromadex.com/ir/corpgov.html). Among other things, our Nominating and Corporate Governance Committee identifies individuals qualified to become Board members and recommends to the Board the nominees for election to the Board. The Nominating and Corporate Governance Committee did not meet during 2009.

### **Code of Conduct**

The Board has established a corporate Code of Conduct which qualifies as a “code of ethics” as defined by Item 406 of Regulation S-K of the Exchange Act. Among other matters, the Code of Conduct is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in our SEC reports and other public communications;
- compliance with applicable governmental laws, rules and regulations;
- prompt internal reporting of violations of the Code of Conduct to appropriate persons identified in the code; and
- accountability for adherence to the Code of Conduct.

Waivers to the Code of Conduct may be granted only by the Board. In the event that the Board grants any waivers of the elements listed above to any of our officers, we expect to announce the waiver within five business days on a Current Report on Form 8-K.



## **Public Availability of Corporate Governance Documents**

Our key corporate governance documents, including our Code of Conduct and the charters of our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are:

- available on our corporate website; and
- available in print to any stockholder who requests them from our corporate secretary.

## **Director Attendance**

The Board held three meetings during 2009. Each director attended at least 75% of Board meetings and meetings of the committees on which he served except Mr. Germain who attended less than 75% of these meetings. The Board and the Nominating and Corporate Governance Committee believe that Mr. Germain continues to make valuable contributions to the Company through his role as a director. Mr. Germain's absences in 2009 were due in part to conflicting schedules as well as personal illness. In addition, Hugh Dunkerley missed one meeting of the Board of Directors due to conflicting work commitments and did not serve on any committee of the Board. Therefore, he attended less than 75% of the Board meetings.

## **Board Qualification and Selection Process**

The Nominating and Corporate Governance Committee does not have a specific written policy or process regarding the nominations of directors, nor does it maintain minimum standards for director nominees. However, the Nominating and Corporate Governance Committee does consider the knowledge, experience, integrity and judgment of potential candidates for nominations to the Board. The Nominating and Corporate Governance Committee will consider persons recommended by stockholders for nomination for election as directors. The Nominating and Corporate Governance Committee will consider and evaluate a director candidate recommended by a stockholder in the same manner as a committee-recommended nominee. Stockholders wishing to recommend director candidates must follow the prior notice requirements as described under "Stockholder Proposals," below.

## **Board Leadership Structure and Risk Oversight**

The leadership of the Board is structured so that it is led by two Co-Chairmen. Frank L. Jaksch Jr. is one of the two Co-Chairmen, and he is also the Company's Chief Executive Officer. Mark S. Germain is the other Co-Chairman of the Board. The Nominating and Corporate Governance Committee believes it is in the best interest of the Company to combine the office of Chairman and Chief Executive Officer given the complexities of the industries in which the Company operates. In April 2010, the Nominating and Corporate Governance Committee met and recommended to the Board that it have only a single chairperson and that Mark Germain not be reappointed as Co-Chairman of the Board. The Nominating and Corporate Governance Committee also recognized it to be appropriate, because of the fact that the positions of chairman and Chief Executive Officer are combined, to appoint a lead independent director to the Board and that Stephen Block be appointed as Lead Independent Director and that the Board adopt a formal set of responsibilities for the Lead Independent Director. No further action has been taken.

The entire Board of Directors is responsible for oversight of our Company's risk management process. Management furnishes information regarding risk to the Board as requested. The Audit Committee discusses risk management with the Company's management and independent public accountants as set forth in the Committee's charter. The Compensation Committee reviews the compensation programs of the Company to make sure economic incentives are tied to the long-term interests of the shareholders. The Company believes that innovation and the building of long-term shareholder value are impossible without taking risks. We recognize that imprudent acceptance of risk and the failure to identify risks could be a detriment to shareholder value. The executive officers of the Company are responsible for assessing these risks on a day-to-day basis and for how to best identify, manage and mitigate large risks that the Company may face.

**Communications to the Board**

Stockholders interested in communicating with the Board or to specified individual directors may do so in writing to ChromaDex Corporation, 10005 Muirlands Blvd. Suite G, Irvine, CA. 92618; Attn: Thomas C. Varvaro, Secretary. These communications will be forwarded to the appropriate director or directors.

**Stockholder Meeting Attendance**

Directors are strongly encouraged to attend annual meetings of stockholders, but no specific policy exists regarding attendance by directors at such meetings. For our annual meeting held on May 13, 2009, five out of a total of seven directors attended the meeting.

## 2009 DIRECTOR COMPENSATION

Non-Employee Board members currently receive an annual grant of 30,000 options to buy ChromaDex common stock upon reelection by the Shareholders. These options are granted under the Second Amended and Restated 2007 Equity Incentive Plan of the Company the “2007 Plan” and are granted on the same terms as those being issued to employees. The vesting schedule of the options is as follows: 25% of the options vest on the first anniversary of the grant and 2.083% vest monthly thereafter.

The following table provides information concerning compensation of directors of ChromaDex who were directors for the fiscal year ended January 2, 2010. The compensation reported is for services as directors for the fiscal year ended January 2, 2010.

### Summary Compensation Table

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)	Non-Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Stephen Block (2) . . . . .	—	—	2,286	—	—	—	2,286
Reid Dabney (3) . . . . .	—	—	2,286	—	—	—	2,286
Hugh Dunkerley (4) . . . . .	—	—	2,286	—	—	—	2,286
Mark S. Germain (5) . . . . .	—	—	2,286	—	—	—	2,286
Frank L. Jaksch Jr. (6) . . . . .	—	—	—	—	—	—	—
Kevin M. Jaksch (7) . . . . .	—	—	2,286	—	—	—	2,286
Thomas C. Varvaro (8) . . . . .	—	—	—	—	—	—	—

- (1) The amounts in the column titled “Option Awards” above reflect the aggregate grant date fair value of stock option awards for the fiscal year ended January 2, 2010. See Note 8 of the ChromaDex Corporation Consolidated Financial Report included in our Annual Report on Form 10-K for the year ended January 2, 2010 for a description of certain assumptions in the calculation of the fair value of the Company’s stock options.
- (2) Stephen Block held an aggregate of 125,000 option awards as of January 2, 2010.
- (3) Reid Dabney held an aggregate of 110,000 option awards as of January 2, 2010.
- (4) Hugh Dunkerley held an aggregate of 215,000 option awards as of January 2, 2010.
- (5) Mark S. Germain held an aggregate of 310,000 option awards as of January 2, 2010.
- (6) Frank L. Jaksch Jr. held an aggregate of 1,250,000 option awards as of January 2, 2010.
- (7) Kevin M. Jaksch held an aggregate of 265,000 option awards as of January 2, 2010.
- (8) Thomas C. Varvaro held an aggregate of 675,000 option awards as of January 2, 2010.



## EXECUTIVE COMPENSATION

This section of the proxy statement explains our compensation for the persons who served as our Chief Executive Officer and our Chief Financial Officer during our fiscal year ended January 2, 2010. The Company has elected to use the Smaller Reporting Company rules issued by the SEC regarding the disclosure of executive compensation. Under these rules, the Company provides executive compensation disclosure for our named executive officers for two years under the Summary Compensation Table, as well as the Outstanding Equity Awards at Year End Table, Director Compensation Table and certain narrative disclosures.

### Executive Officers

All of our executive officers serve at the discretion of the Board. The persons listed below are our executive officers as of the date hereof:

<u>Name</u>	<u>Age</u>	<u>Positions with our Company</u>
Frank L. Jaksch Jr. ....	41	Chief Executive Officer and President
Thomas C. Varvaro ....	40	Chief Financial Officer, Treasurer and Secretary

Biographical information regarding each of our executive officers is set forth above under the heading "Election of Directors."

### Summary Compensation Table

The following table sets forth information concerning the annual and long-term compensation earned by our Chief Executive Officer (the principal executive officer) and Chief Financial Officer (the principal financial officer) who served during the year ended January 2, 2010 as executive officers of ChromaDex. The compensation indicated below was paid by ChromaDex.

<u>Name</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Option Awards (1)</u>	<u>All Other Compensation</u>	<u>Total (\$)</u>
Frank L. Jaksch Jr. ....	2009	\$183,750	—	\$ 7,620(2)	\$1,788	\$193,158
	2008	\$156,769(3)	—	\$338,385(4)	\$1,788	\$496,942
Thomas C. Varvaro ....	2009	\$136,500	—	\$ 5,715(5)		\$142,215
	2008	\$120,000	—	\$ 39,810(6)		\$159,810

- (1) The amounts in the column titled "Option Awards" above reflect the aggregate grant date fair value of stock option awards for the fiscal year ended January 2, 2010 and the fiscal year ended January 3, 2009, respectively. See Note 8 of the ChromaDex Corporation Consolidated Financial Report included in our Annual Report on Form 10-K for the year ended January 2, 2010 for a description of certain assumptions in the calculation of the fair value of the Company's stock options.
- (2) On May 13, 2009, Frank L. Jaksch Jr. was granted options to purchase 100,000 shares of ChromaDex common stock at an exercise price of \$0.50. These options expire on May 13, 2019, and 25% of the shares vest on May 13, 2010 and the remaining 75% vest 2.083% monthly thereafter.
- (3) Frank L. Jaksch Jr. was paid \$146,385 of his salary in cash in 2008 and the remainder is owed to him as unpaid compensation. See "Certain Relationships and Related Transactions" below.
- (4) On April 21, 2008, Frank L. Jaksch Jr. was granted options to purchase 850,000 shares of ChromaDex common stock at an exercise price of \$1.50. These options expire on April 21, 2018, and 25% of the shares vested on April 21, 2009 and the remaining 75% vest 2.083% monthly thereafter.
- (5) On May 13, 2009, Thomas C. Varvaro was granted options to purchase 75,000 shares of ChromaDex common stock at an exercise price of \$0.50. These options expire on May 13, 2019, and 25% of the shares vest on May 13, 2010 and the remaining 75% vest 2.083% monthly thereafter.
- (6) On April 21, 2008, Thomas C. Varvaro was granted options to purchase 100,000 shares of ChromaDex common stock at an exercise price of \$1.50. These options expire on April 21, 2018, and 25% of the shares vested on April 21, 2009 and the remaining 75% vest 2.083% monthly thereafter.

## **Employment and Consulting Agreements**

The material terms of employment agreements with the Named Executives previously entered into by ChromaDex are described below. On April 19, 2010, the Company entered into Amended and Restated Employment Agreements with the Named Executives certain terms of which are described below.

### **Employment Agreement with Frank L. Jaksch Jr.**

ChromaDex entered into a two-year, employment agreement dated April 14, 2008 with Frank L. Jaksch Jr. its Chief Executive Officer. Pursuant to this agreement, Mr. Jaksch was entitled to receive a base salary of \$150,000 per year, subject to certain milestones. One of the milestones provided that, following the Merger, Mr. Jaksch would be entitled to a base salary of \$175,000. The Merger occurred on June 20, 2008, as a result of which Mr. Jaksch's base salary was increased to \$175,000 per year. See "Change of Control of the Company" below for additional information about the Merger.

On April 19, 2010, the Company entered into an Amended and Restated Employment Agreement (the "Amended Jaksch Agreement") with Frank Jaksch and the Amended Jaksch Agreement commenced on that date. The Amended Jaksch Agreement has a three year term that automatically renews unless the Amended Jaksch Agreement has been terminated in accordance with its terms. The Amended Jaksch Agreement provides for a base salary of \$225,000 (subject to an increase of \$50,000 in the event the Company's common stock is listed on a stock exchange), and provides for an annual cash bonus (based on performance targets) of up to 40% of his base salary, and two option grants of 800,000 shares of Common Stock in aggregate (which are in addition to the Post-Closing Grants described in Proposal 2 of this proxy statement. In addition, the severance terms of the original agreement were amended as set forth below.

The amended severance terms provide that in the event Mr. Jaksch's employment with the Company is terminated voluntarily by Mr. Jaksch, he will be entitled to any accrued but unpaid base salary, any stock vested through the date of his termination and a pro rated portion of 40% of his salary (the "Maximum Annual Bonus") for the year of termination. In addition, if Mr. Jaksch leaves the Company for "Good Reason" he will also be entitled to severance equal to the Maximum Annual Bonus, and he will be deemed to have been employed for the entirety of such year. "Good Reason" means any of the following: (A) the assignment of duties materially inconsistent with those of other employees in similar employment positions, and Mr. Jaksch provides written notice to the Company within 60 days of such assignment that such duties are materially inconsistent with those duties of such similarly-situated employees and the Company fails to release Mr. Jaksch from his obligation to perform such inconsistent duties and to re-assign Mr. Jaksch to his customary duties within 20 business days after the Company's receipt of such notice; or (B) if, without the consent of Mr. Jaksch, Mr. Jaksch's normal place of work is or becomes situated more than 50 linear miles from Mr. Jaksch's personal residence as of the effective date of the Amended Jaksch Agreement, or (C) a failure by the Company to comply with any other material provision of the Amended Jaksch Agreement which has not been cured within 60 days after notice of such noncompliance has been given by Mr. Jaksch to the Company, or if such failure is not capable of being cured in such time, a cure shall not have been diligently pursued by the Company within such 60 day period. Severance will then consist of 16 weeks of paid salary, unless Mr. Jaksch signs a release, in which case he will receive compensation equal to the lesser of the remainder of the term of the agreement, or up to 12 months paid salary.

In the event Mr. Jaksch's employment terminates as a result of his death or disability, he, or his estate, as the case may be, will be entitled to his accrued but unpaid base salary, stock vested through the date of his termination and, notwithstanding any policy of the Company to the contrary, any annual bonus that would be due to him for the fiscal year in which termination pursuant to death or disability took place in an amount no less than the prorated portion of his Maximum Annual Bonus. At the option of the Board, Mr. Jaksch's bonus will be either prorated or paid in full to him, or his estate, as the case may be, at the time he would have received such bonus had he remained an employee of the Company.

In the event that Mr. Jaksch is terminated by the Company for “Cause” (as defined in the Amended Jaksch Agreement), he will only be entitled to his accrued but unpaid base salary, and any stock vested through the date of his termination.

In the event that Mr. Jaksch is terminated due to “Cessation of Business” (as defined in the Amended Jaksch Agreement), Mr. Jaksch will be entitled to a lump sum payment of base salary and an amount equal to the Maximum Annual Bonus, and continuation of health benefits until the earlier of the last to occur of the term or renewal term of the agreement or 12-months from the date of termination.

In the event the Company terminates Mr. Jaksch’s employment without “Cause” (as defined in the Amended Jaksch Agreement), Mr. Jaksch will be entitled to severance in the form of any stock vested through the date of his termination and continuation of his base salary for a period of eight weeks, or, if Mr. Jaksch enters into a standard separation agreement, Mr. Jaksch will receive continuation of base salary and health benefits, together with applicable fringe benefits as provided to other executive employees until the last to occur of the expiration of the term or renewal term then in effect or 24 months from the date of termination (the “Severance Period”), and he will receive his Maximum Annual Bonus if the Severance Period is equal to 24 months or a pro rata portion thereof if less, as well as the full vesting of any otherwise unvested stock.

#### **Employment Agreement with Thomas C. Varvaro**

ChromaDex entered into a two-year, employment agreement dated April 14, 2008 with Thomas C. Varvaro, its Chief Financial Officer. Pursuant to this agreement, Mr. Varvaro was entitled to receive a minimum base salary of \$110,000 per year, subject to certain milestones. One of those milestones provided that, following the Merger, Mr. Varvaro would be entitled to a base salary of \$130,000. Following the Merger, Mr. Varvaro’s base salary was increased to \$130,000 per year. See “Change of Control of the Company” below for additional information about the Merger.

On April 19, 2010, the Company entered into an Amended and Restated Employment Agreement (the “Amended Varvaro Agreement”) with Thomas C. Varvaro and the Amended Varvaro Agreement commenced on that date. Amended Varvaro Agreement has a three year term that automatically renews unless the Amended Varvaro Agreement has been terminated in accordance with its terms. The Amended Varvaro Agreement provides for a base salary of \$175,000 (subject to an increase of \$50,000 in the event the Company’s common stock is listed on a stock exchange), and provides for an annual cash bonus (based on performance targets) of up to 30% of his base salary, and provides for two option grants of 400,000 shares of Common Stock in aggregate (which are in addition to the Post-Closing Grants described in Proposal No. 2, below.) In addition, the severance terms of the original agreement were amended as set forth below.

The amended severance terms provide that in the event Mr. Varvaro’s employment with us is terminated voluntarily by Mr. Varvaro he will be entitled to any accrued but unpaid base salary, any stock vested through the date of his termination and a pro rated portion of 40% of his salary (the “Maximum Annual Bonus”) for the year of termination. In addition, if Mr. Varvaro leaves the Company for Good Reason he will also be entitled to severance equal to the Maximum Annual Bonus, and he shall be deemed to have been employed for the entirety of such year. “Good Reason” means any of the following: (A) the assignment of duties materially inconsistent with those of other employees in similar employment positions, and Mr. Varvaro provides written notice to the Company within 60 days of such assignment that such duties are materially inconsistent with those duties of such similarly-situated employees and the Company fails to release Mr. Varvaro from his obligation to perform such inconsistent duties and to re-assign Mr. Varvaro to his customary duties within 20 business days after the Company’s receipt of such notice; or (B) the termination of Frank Jaksch as the Company’s Chief Executive Officer either by the Company without “Cause” or by the Mr. Jaksch for “Good Reason,” and Mr. Varvaro provides written notice within 60 days of such termination, or (C) a failure by the Company to comply with any other material provision of the Amended Varvaro Agreement which has not been cured within 60 days after notice of such noncompliance has been given by Mr. Varvaro to the Company, or if such failure is not capable of being cured in such time, a cure will not have been diligently pursued by the Company within such 60 day

period. Severance will then consist of 16 weeks of paid salary, unless Mr. Varvaro signs a release, in which case he will receive compensation equal to the lesser of the remainder of his agreement or 12 months paid salary.

In the event Mr. Varvaro is terminated as a result of his death or disability he will be entitled to his accrued but unpaid base salary, stock vested through the date of his termination and, notwithstanding any policy of the Company to the contrary, any annual bonus that would be due to him for the fiscal year in which termination pursuant to death or disability took place in an amount no less than the prorated portion of his Maximum Annual Bonus. Mr. Varvaro's bonus will be either prorated or paid in full to him, or his estate, as the case may be, at the time he would have received such bonus had he remained an employee of the Company.

In the event that Mr. Varvaro is terminated by the Company for "Cause" (as defined in the Amended Varvaro Agreement), he will only be entitled to his accrued but unpaid base salary, and any stock vested through the date of his termination.

In the event that Mr. Varvaro is terminated due to a "Cessation of Business" (as defined in the Amended Varvaro Agreement), Mr. Varvaro will be entitled to a lump sum payment of base salary and an amount equal to the Maximum Annual Bonus, and continuation of health benefits until the last to occur of the term or renewal term of the agreement or 12 months from the date of termination.

In the event the Company terminates Mr. Varvaro's employment without "Cause," Mr. Varvaro will be entitled to severance in the form of any stock vested through the date of his termination and continuation of his base salary for a period of eight weeks, or, if Mr. Varvaro enters into a standard separation agreement, Mr. Varvaro will receive continuation of base salary and health benefits, together with applicable fringe benefits as provided to other executive employees until the last to occur of the expiration of the term or renewal term then in effect or 24 months from the date of termination (the "Severance Period"), will receive his Maximum Annual Bonus if the Severance Period is equal to 24 months or a pro rata portion thereof if less, as well as the full vesting of any otherwise unvested stock.

#### Outstanding Equity Awards at Fiscal Year End

The following table sets forth certain information regarding stock options granted to our named executive officers outstanding as of January 2, 2010.

#### Outstanding Stock Options at 2009 Fiscal Year-End

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards:	Option Exercise Price (\$)	Option Expiration Date
			Number of Securities Underlying Unexercised Unearned Options (#)		
Frank L. Jaksch Jr. ....	180,000	120,000(1)	—	1.50	12/1/2016
	291,667	408,333(2)	—	1.50	4/21/2018
	62,500	87,500(3)	—	1.50	4/21/2018
	—	100,000(4)	—	0.50	5/13/2019
Thomas C. Varvaro ....	240,000	—	—	1.00	1/19/2014
	10,000	—	—	1.00	1/19/2014
	150,000	100,000(5)	—	1.50	12/1/2016
	41,667	58,333(6)	—	1.50	4/21/2018
	—	75,000(7)	—	0.50	5/13/2019

(1) 60,000 of Mr. Jaksch's options vest on December 1 of each year.

- (2) 14,583 of Mr. Jaksch's options vest on the 21st of every month through April 21, 2012.
- (3) 3,125 of Mr. Jaksch's options vest on the 21st of every month through April 21, 2012.
- (4) 25,000 of Mr. Jaksch's options vest on May 13, 2010, and 2,083 options vest on the 13th of every month thereafter through May 13, 2013.
- (5) 50,000 of Mr. Varvaro's options vest on December 1 of each year.
- (6) 2,083 of Mr. Varvaro's options vest on the 21st of every month through April 21, 2012.
- (7) 18,750 of Mr. Varvaro's options vest on May 13, 2010, and 1,563 options vest on the 13th of every month thereafter through May 13, 2013.

### **Change of Control of the Company**

On May 21, 2008, Cody Resources, Inc., a Nevada corporation, ("Cody") entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among Cody, CDI Acquisition, Inc., a California corporation and wholly-owned subsidiary of Cody ("Acquisition Sub"), and ChromaDex, Inc. (the "Merger"). Subsequent to the signing of the Merger Agreement, Cody merged into a Delaware corporation for the sole purpose of changing the domicile of Cody to the State of Delaware.

Pursuant to the terms of the Merger Agreement, and upon satisfaction of specified conditions, including approval by ChromaDex, Inc. shareholders on June 18, 2008, Acquisition Sub merged with and into ChromaDex, Inc. and ChromaDex, Inc., as the surviving corporation, became a wholly-owned subsidiary of Cody.

On the closing date, pursuant to the terms of the Merger Agreement, former ChromaDex, Inc. shareholders received approximately 23,522,122 shares of Cody Common Stock, or approximately 83.94% of the post-merger company's outstanding shares, and the directors and executive officers of Cody, Donald Sampson and Barbara Grant, resigned from their respective positions with Cody. The directors and executive officers of ChromaDex, Inc. immediately prior to the Merger became the directors and executive officers of Cody, renamed ChromaDex Corporation.

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

At January 2, 2010 and January 3, 2009, the Company owed \$1,178,206 to Frank L Jaksch Jr. and Mark Germain relating to unpaid compensation. Of the amount outstanding as of January 2, 2010, approximately \$837,000 is owed to Mr. Jaksch and \$341,000 is owed to Mr. Germain. The amounts owed are non-interest bearing. These amounts are expected to be paid out in connection with the closing of the Private Placement transaction, defined and further described in Proposal No. 2 below. See “Purpose of the Charter Amendment – Private Placement – Use of Proceeds” and “Interests of Certain Officers and Directors.”

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of April 20, 2010 the record date of the annual meeting, there were approximately 28,838,216 shares of our common stock outstanding. In addition, at April 20, 2010 there were options representing rights to purchase up to approximately 4,140,426 shares of ChromaDex common stock at a weighted average exercise price of \$1.25 per share and warrants representing rights to purchase up to approximately 2,054,740 shares of ChromaDex common stock at a weighted average exercise price of \$2.73 per share. The following table sets forth certain information regarding our common stock, beneficially owned as of April 20, 2010, by each person known to us to beneficially own more than 5% of our common stock, each executive officer and director, and all directors and executive officers as a group. We calculated beneficial ownership according to Rule 13d-3 of the Exchange Act as of that date. Shares issuable upon exercise of options or warrants that are exercisable or convertible within 60 days after April 20, 2010 are included as beneficially owned by the holder. Beneficial ownership generally includes voting and dispositive power with respect to securities. Unless otherwise indicated below, the persons and entities named in the table have sole voting and sole dispositive power with respect to all shares beneficially owned.

<u>Name of Beneficial Owner (1)</u>	<u>Shares of Common Stock Beneficially Owned (2)</u>	<u>Aggregate Percentage Ownership</u>
Black Sheep, FLP (3) . . . . .	6,225,155	21.59%
Margie Chassman . . . . .	4,407,640	15.28%
Margery Germain (4) . . . . .	2,053,995	7.12%
Jaksch Family Trust (5) . . . . .	1,429,000	4.96%
<b>Directors</b>		
Stephen Block (6) . . . . .	53,979	0.19%
Reid Dabney (7) . . . . .	46,166	0.16%
Hugh Dunkerley (8) . . . . .	136,791	0.47%
Mark S. Germain (9) . . . . .	150,334	0.52%
Kevin M. Jaksch (10) . . . . .	126,896	0.44%
Frank Louis Jaksch Jr. (11) . . . . .	8,303,947	28.16%
Thomas C. Varvaro (12) . . . . .	472,396	1.61%
<b>Named Executive officers</b>		
Frank Louis Jaksch Jr., Chief Executive Officer . . . . .	(See above)	
Thomas C. Varvaro, Chief Financial Officer . . . . .	(See above)	
<b>All directors and executive officers as a group (7 Directors) (13) . .</b>	<b>9,290,509</b>	<b>31.55%</b>

- (1) Addresses for the Beneficial Owners listed are: Frank Louis Jaksch Jr., 8 Garzoni Aisle, Irvine, California 92606; Margie Chassman, 445 West 23rd Street, Apt. 16E, New York, NY 10011; Margery Germain, 415 Greenwich Street, Apt. 4E, New York, NY 10013; Jaksch Family Trust, 70 Pienza, Laguna Niguel, CA 92677.
- (2) Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or dispositive power with respect to shares beneficially owned. Unless otherwise specified, reported ownership refers to both voting and dispositive power. Shares of Common Stock issuable upon the conversion of stock options within the next 60 days are deemed to be converted and beneficially owned by the individual or group identified in the Aggregate Percentage Ownership column.
- (3) Black Sheep, FLP is a family limited partnership the co-general partners of which are Frank L. Jaksch, Jr. and Tricia Jaksch and the sole limited partners of which are Frank L. Jaksch, Jr., Tricia Jaksch and the Jaksch Family Trust.
- (4) Does not include the shares beneficially owned by Mark Germain, who is Ms. Germain's husband, as Ms. Germain does not share voting or dispositive control over those shares. See Footnote 9 of this table below.
- (5) Frank Louis Jaksch, Sr. and Maria Jaksch are trustees of the Jaksch Family Trust.
- (6) Includes 53,979 stock options exercisable within 60 days.



- (7) Includes 46,166 stock options exercisable within 60 days.
- (8) Includes 136,791 stock options exercisable within 60 days.
- (9) Includes 150,334 stock options exercisable within 60 days. Does not include the shares beneficially owned by Margery Germain, who is Mr. Germain's wife, as Mr. Germain does not share voting or dispositive control over those shares.
- (10) Includes 126,896 stock options exercisable within 60 days.
- (11) Includes 1,429,000 shares owned by the Jaksch Family Trust, beneficially owned by Frank L Jaksch Jr. because Mr. Jaksch Jr. has shared voting power for such shares. Includes 6,225,155 shares owned by Black Sheep, FLP beneficially owned by Mr. Jaksch Jr. because he has shared voting power and shared dispositive power for such shares. Includes 649,792 stock options exercisable within 60 days.
- (12) Includes 472,396 stock options exercisable within 60 days.
- (13) Includes 1,636,354 stock options exercisable within 60 days.

As further disclosed in Proposal No. 2: "Approval of an Amendment to the Certificate of Incorporation to Increase the Authorized Number of Shares of Common Stock," the Company has entered into a Private Placement transaction which is expected to close promptly following the annual meeting. The issuance of shares of common stock and warrants to acquire common stock in the Private Placement will have a material dilutive effect on all of the Company's stockholders, including the beneficial owners listed in the table above (see "Purpose of the Charter Amendment—Private Placement—Dilutive Effect of the Private Placement," and "Possible Effects of the Charter Amendment—Dilution Resulting from the Private Placement," below).



## AUDIT COMMITTEE REPORT

The Audit Committee reviews our financial reporting process on behalf of the Board. Management has the primary responsibility for the financial statements and the reporting process. Our independent registered public accounting firm is responsible for expressing an opinion on the conformity of the audited financial statements with generally accepted accounting principles.

In this context, the Audit Committee has reviewed and discussed with management our audited consolidated financial statements for the fiscal year ended January 2, 2010 (our 2009 fiscal year) and the notes thereto. It has discussed with McGladrey & Pullen LLP, our independent registered public accounting firm for the 2009 fiscal year, the matters required to be discussed by Statement of Auditing Standards No. 61, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee also received the written disclosures and the letter from McGladrey & Pullen LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding McGladrey & Pullen's communications by the Audit Committee concerning independence and discussed with McGladrey & Pullen LLP their independence from us. Based on such review and discussions, the Audit Committee recommended to the Board that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010 and be filed with the SEC.

*Submitted by:*

*The Audit Committee Of  
The Board of Directors  
Reid Dabney (Chairman)  
Mark S. Germain  
Stephen Block*

The above report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act, except to the extent that we specifically incorporate this information by reference, and shall not otherwise be deemed filed under the Securities Act or the Exchange Act.

## **PROPOSAL NO. 2:**

### **APPROVAL OF AN AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO INCREASE THE AUTHORIZED NUMBER OF SHARES OF COMMON STOCK**

The Board of Directors has determined that it is in the Company's best interest and in the best interest of the stockholders to amend the Company's Certificate of Incorporation, as amended, (the "Charter") to increase the total number of authorized shares of common stock from 50,000,000 shares to 150,000,000 shares. On April 21, 2010, the Board of Directors unanimously adopted resolutions setting forth this proposed amendment to the Charter, in the form of an Amended and Restated Certificate of Incorporation, which is appended to this Proxy Statement as Appendix A (the "Charter Amendment"), declaring its advisability and directing that the proposed amendment be submitted to the stockholders for their approval.

If the Charter Amendment is approved by the stockholders, it will become effective upon the filing of the Charter Amendment with the Delaware Secretary of State, which filing is expected to occur promptly after the annual meeting.

#### **The Charter Amendment**

The proposed change to the Certificate of Incorporation is to delete the second sentence of Article IV in its entirety and replace it with a new second sentence to Article IV as follows:

"The total number of shares of Common Stock the Corporation is authorized to issue is One Hundred Fifty Million (150,000,000) with a par value of \$.001 per share."

#### **Purpose of the Charter Amendment**

The purpose of the Charter Amendment is to increase the total number of authorized shares of common stock from 50,000,000 shares to 150,000,000 shares. As of April 20, 2010, the Company had 50,000,000 authorized shares of common stock, of which 28,838,216 shares of common stock were outstanding and 6,195,166 shares of common stock were reserved for issuance upon exercise of outstanding options and warrants granted or issued, leaving the Company with 14,966,618 authorized shares of common stock available for other possible uses.

#### ***Private Placement***

*Terms of the Subscription Agreement and the Warrants* – The Company has entered into a Subscription Agreement dated April 22, 2010 (the "Subscription Agreement") with certain investors named therein (the "Subscribers"). Under the terms of the Subscription Agreement, the Company has agreed to issue and sell to the Subscribers, in a private placement transaction (the "Private Placement"), an aggregate of 26,249,983 newly issued shares (the "Private Placement Shares") of our common stock for an aggregate purchase price of \$3,674,997.62, or \$0.14 per share. The Company has also agreed to issue to each Subscriber an immediately exercisable warrant (collectively, the "Warrants") to purchase Company common stock (collectively, the "Warrant Shares") equal to the number of Private Placement Shares purchased by such Subscriber at an exercise price of \$0.21 per share. Assuming the full exercise of the Warrants for cash, the Company would receive additional proceeds of \$5,512,496.43, for an aggregate of \$9,187,494.05 from the purchase of the Private Placement Shares and the exercise of the Warrants in the Private Placement. In certain limited circumstances, the Warrants can be exercised in a cashless exercise. There is no guarantee that Subscribers will exercise the Warrants. The Company will not receive any proceeds from the Warrants until they are exercised.

The Warrants entitle the Subscribers to purchase up to an aggregate of 26,249,983 shares of the common stock for a period of three years from the date of issuance at an initial exercise price of \$0.21 per share, subject to customary adjustments. The Warrants may only be exercised in whole and not in part, and contain a limited

“cashless exercise” provision in the event the Company fails to comply with the material terms of its registration obligations with respect to the Warrant Shares or in the event of a “Corporate Transaction” (as defined in the Warrants).

The closing of the Private Placement is subject to (i) receipt of stockholder approval of the Charter Amendment, (ii) the resignation of Mr. Thomas Varvaro and Mr. Kevin Jaksch from the Board of Directors and, subject to legal and corporate governance requirements including the affirmative recommendation of the Company’s Nominating and Governance Committee and the approval of the Board of Directors, the appointment to the Board of Directors of Michael Brauser and Glenn Halpryn, or two alternate designees of Subscribers representing at least 70% of the Private Placement Shares to be purchased in the Private Placement (See “Persons Chosen to Become Directors in Connection with the Private Placement” above), (iii) entry by Mr. Jaksch, and Mr. Varvaro, into the Amended Jaksch Agreement and Amended Varvaro Agreement respectively (which occurred on April 19, 2010), and (iv) other customary closing conditions. Assuming stockholders approve the Charter Amendment, the closing of the Private Placement will occur promptly following the annual meeting.

The Subscription Agreement includes a price protection mechanism in favor of the Subscribers for the three year period following the closing of the Private Placement. If the Company issues common stock or securities convertible into common stock at a lower price than the price paid for the Private Placement Shares by the Subscribers, then the Company has agreed under certain circumstances to issue additional shares of common stock to Subscribers holding Private Placement Shares or Warrant Shares at such time so that the average price paid by such Subscribers for such shares equals the lower price. In addition, the Subscription Agreement provides specific remedies for the Subscribers relating to the Company’s failure to comply with registration rights obligations, obligations relating to certain transfers of common stock by the Subscribers, and the availability of sales under Rule 144.

*Use of Proceeds* – The Company intends to use the proceeds from the Private Placement for general corporate purposes, including an investor relations program, and also to pay approximately \$1.2 million “Due to officers” (as such amounts have been previously disclosed, including in the Company’s Annual Report on Form 10-K for the fiscal year ending January 2, 2010), which the Board of Directors has determined the Company will have sufficient cash reserves to pay after the closing of the Private Placement (see “– Interests of Certain Officers and Directors,” below).

*Registration Rights* – Pursuant to the Subscription Agreement, the Company has agreed, within 90 days of the closing of the Private Placement, to file a registration statement to register the Warrant Shares, on a pro rata basis among participating Subscribers, subject to limitations on the number of Warrant Shares required to be registered by us in the initial registration statement. The Company has also agreed to file additional registration statements (collectively with the initial registration statement, the “Subscriber Registration Statements”), subject to certain time periods between these filings and limitations on the number of Warrant Shares required to be registered by us in any single registration statement. The Company is required to keep the Subscriber Registration Statements effective until the third anniversary of the closing of the Private Placement, subject to, under limited circumstances, this obligation being terminated earlier. In addition, the Company has agreed not to file or amend any registration statements (other than the Subscriber Registration Statements) without the consent of Subscribers representing at least 70% of the Private Placement Shares and any exercised Warrant Shares until the earlier of (a) all of the Warrant Shares having been registered, (b) such shares having been sold by the Subscriber, or (c) the third anniversary of the closing of the Private Placement.

*Issuance of Options to Purchase Common Stock* – The Subscription Agreement provides that within 60 days of the closing of the Private Placement, the Company will grant options to purchase shares of common stock to the members of the Board of Directors and other key management personnel. The Company contemplates making two option grants to each of our directors and all active employees on such date (the “Post-Closing Grants”), with the exercisability of shares under the second of the two grants received by each person to be dependent on the proportion of the Warrants exercised by the Subscribers.

The Post-Closing Grants (assuming the closing of the Private Placement), will, in aggregate, equal approximately 7.2% of the outstanding common stock on a fully diluted basis (assuming the full exercise of the Warrants). Of the Post-Closing Grants, Mr. Jaksch will receive options with respect to 2,275,000 shares of common stock and Mr. Varvaro will receive options with respect to 1,228,500 shares of common stock. These option grants to Mr. Jaksch and Mr. Varvaro will be in addition to any other options granted pursuant to the Amended Jaksch Agreement and the Amended Varvaro Agreement (as defined and further disclosed in “Employment Agreements with Frank L. Jaksch Jr.” and “Employment Agreements with Thomas C. Varvaro,” above, (the “Employment Agreement Grants”). The other members of the Company’s Board of Directors will collectively receive an aggregate of 1,729,000 shares of common stock from the Post-Closing Grants. See Proposal No. 3: “Approval of an Amendment to the Second Amended and Restated 2007 Equity Incentive Plan – Plan Benefits,” below.

*Reasons for and Background of the Private Placement* – Beginning in December 2008, Mr. Jaksch and Mr. Varvaro entered into discussions with numerous investment bankers and a venture capital firm to evaluate the Company’s financing options to cover the Company’s working capital requirements and strategic opportunities.

In June 2009, Mr. Jaksch entered into discussions with Beijing Gingko Group, North America Inc., a customer of the Company, concerning an investment in the Company of up to \$1 million by Beijing Gingko Group, North America Inc. or an affiliate.

On September 12, 2009, Mr. Jaksch received a telephone call from Barry Honig, who expressed an interest in acquiring an equity position in the Company, at which time Mr. Jaksch and Mr. Honig discussed the Company’s business plan and opportunities. Mr. Honig had been referred to the Company by one of the investment bankers previously contacted by the Company. On September 13, 2009, Mr. Honig introduced Mr. Jaksch to Michael Brauser, who mentioned an interest in introducing this opportunity to Dr. Phillip Frost. On September 16, 2009, Mr. Jaksch met with Dr. Frost, Mr. Honig and Mr. Brauser, at which time Dr. Frost expressed an interest in investing in the Company. On or around September 23, 2009, Mr. Jaksch, Mr. Honig and Mr. Brauser began negotiating the terms concerning a potential investment in the Company by Dr. Frost, Mr. Honig and Mr. Brauser, that would ultimately develop into the Private Placement.

On September 30, 2009, the Company’s Board of Directors formed a special financing committee (the “Finance Committee”) to consider the Private Placement. The current members of the Finance Committee are Stephen A. Block, Reid Dabney and Hugh Dunkerley, each of whom is a disinterested director with respect to the Private Placement. This action was taken, at least in part, because the terms of the Private Placement would provide for two of our remaining directors, Mark S. Germain and Frank L. Jaksch Jr., to receive approximately \$1.2 million of proceeds from the Private Placement (see “Purpose of the Charter Amendment – Use of Proceeds” above), would provide for Mr. Frank Jaksch and Mr. Varvaro to enter into the Amended Jaksch Agreement and the Amended Varvaro Agreement (see “Employment Agreements with Frank L. Jaksch Jr.” and “Employment Agreements with Thomas C. Varvaro” above), and also because the other remaining director, Kevin M. Jaksch, is the brother of Frank L. Jaksch, Jr.

In October 2009, Dr. Frost, Mr. Honig and Mr. Brauser submitted a memorandum of terms for an equity investment in the Company.

On November 29, 2009, the Company entered into a Subscription Agreement with Jinke Group (Hong Kong) Ltd., an affiliate of Beijing Gingko Group, North America Inc., pursuant to which such investor agreed to purchase up to \$1 million of the Company’s common stock. In reliance on its entry into this subscription agreement, the Company ceased its fundraising efforts with all parties other than Dr. Frost, Mr. Honig and Mr. Brauser. However, Jinke Group (Hong Kong) Ltd. defaulted in its obligations under the subscription agreement and the Company has not received any proceeds from this proposed investment.

After negotiation with management and the Chairman of the Finance Committee, Dr. Frost, Mr. Honig and Mr. Brauser submitted a revised memorandum of terms that provided the basis for the Private Placement. On

January 5, 2010, the Finance Committee met to review the terms of the Private Placement, and the default by Jinke Group (Hong Kong) Ltd. under its subscription agreement. The Financing Committee discussed the terms of the Private Placement, including in a separate session with management. The Finance Committee resolved to pursue additional information from management before being able to recommend approval of the Private Placement to the Board.

From January through April 2010, the Company's management, the Chairman of the Finance Committee and the Company's legal counsel negotiated definitive documentation for the Private Placement with the subscribers and their representatives. On April 14, 2010, the Finance Committee reviewed the terms of the Private Placement and the additional information that was requested from management at its January 5, 2010 meeting. The Finance Committee desired to obtain certain financial projections from management before recommending approval of the Private Placement to the Board. On April 14, 2010 and April 15, 2010, management provided the requested information to the Finance Committee.

On April 15, 2010, the Finance Committee determined that a capital raising transaction was critical to the Company's continued operations and that the terms of the Private Placement were fair, reasonable and in the best interests of the Company and its stockholders, and recommended to the Board that it approve the Private Placement. Subsequently, on April 21, 2010, the Private Placement was approved by the Board of Directors and on April 22, 2010, the Company entered into the Subscription Agreement with the Subscribers.

Since December 2008, the Company's Board of Directors and management have explored and pursued various financing alternatives to the Private Placement. In one case, the Company entered into a subscription agreement with Jinke Group (Hong Kong) Ltd., who defaulted in its obligations in such transaction and no proceeds have been received by the Company. Each of the members of the Finance Committee, which is composed solely of disinterested, independent members of our Board of Directors, and our entire Board of Directors, has approved the Private Placement and has resolved that the Private Placement is in the Company's best interest and the best interest of the stockholders.

*Dilutive Effect of the Private Placement* – The Company expects to issue 26,249,983 shares of common stock and warrants (that are immediately exercisable for a three year period) representing the right to acquire an additional 26,249,983 shares of common stock to the Subscribers. Immediately following the closing of the Private Placement, the number of issued and outstanding shares of the Company's common stock will increase from 28,838,216, as of April 20, 2010, to 55,088,199 (based on the number of issued and outstanding shares as of April 20, 2010, and subject to the additional issuances under the Warrants). Based on 28,838,216 shares of common stock outstanding after giving effect to the closing of the Private Placement, the Private Placement Shares will represent approximately 42.8% of the outstanding common stock, on a fully diluted basis (assuming none of the Warrants are exercised), and the Private Placement Shares and the Warrant Shares, collectively, will equal approximately 60.0% of the outstanding common stock, on a fully diluted basis (assuming the full exercise of the Warrants).

Based on the information provided to the Company by the Subscribers, the Company is not aware, as of the date of the Subscription Agreement, of any Subscriber who will hold 5% or more of the Company's issued and outstanding common stock after giving effect to the closing of the Private Placement, except as follows: an affiliate of Dr. Phillip Frost will own or will have the right to acquire approximately 22.04% of our outstanding common stock; Mr. Michael Brauser and affiliates will own or will have the right to acquire approximately 11.27% of our outstanding common stock; Mr. Barry Honig and affiliates will own or will have the right to acquire approximately 8.98% of our outstanding common stock; Mr. John Liviakis will own or will have the right to acquire approximately 7.49% of our outstanding common stock; and Mr. Alan S. Honig will own or will have the right to acquire approximately 5.06% of our outstanding common stock. The foregoing amounts have been calculated according to Rule 13d-3 of the Exchange Act. Shares issuable upon exercise of the Warrants to be issued to each such person that are convertible within 60 days after the closing of the Private Placement are included as beneficially owned by the holder.

The issuance of the Private Placement Shares at the closing of the Private Placement and any exercise of Warrant Shares under the Warrants will represent substantial dilution to existing stockholders. See "Possible



Effects of the Charter Amendment – Dilution Resulting from Private Placement.” The Private Placement Shares are being sold at a fixed price of \$0.14 per share and the Warrants are being issued at an exercise price of \$0.21 per share, representing a discount of 72% and 58%, respectively, to the average closing price of our common stock as quoted on the OTC Bulletin Board for the 20 day trading period ending on the trading day immediately preceding the date of the Subscription Agreement. The terms of the Private Placement were approved by our Board of Directors, including a committee of our Board of Directors consisting only of disinterested directors. See “Reasons for and Background of the Private Placement.”

If the Charter Amendment is not approved by the stockholders, the sum of the currently issued and outstanding shares of our common stock, the shares of our common stock underlying options and warrants that the Company has issued outside of the Private Placement and the Private Placement Shares and Warrant Shares to be issued pursuant to the Subscription Agreement, would exceed the number of shares of common stock the Company is currently authorized to issue.

#### ***Other Purposes***

In addition to enabling the issuance of the Private Placement Shares and Warrants pursuant to the Subscription Agreement, other possible business and financial uses for the additional shares of common stock that would be authorized under the Charter Amendment include, without limitation, raising more capital through the sale of additional common stock, acquiring other companies, businesses or licenses in exchange for shares of the Company’s common stock, attracting and retaining employees through the issuance of additional securities under the Company’s equity compensation plans, future stock splits, and other transactions and corporate purposes that the Board of Directors deems are in the Company’s best interest. The additional authorized shares will give the Company greater flexibility and will allow securities to be issued as determined by the Board of Directors without the expense and delay of a special meeting of the stockholders to approve any additional authorized common stock.

Other than the Private Placement Shares and the Warrant Shares, the Company has no current plans, arrangements or understandings regarding the additional shares that would be authorized pursuant to this proposal. However, the Company and its Board of Directors review and evaluate potential capital raising activities, transactions and other corporate actions on an on-going basis to determine if such actions would be in the best interests of the Company and its stockholders.

#### **Possible Effects of the Charter Amendment**

##### ***Dilution Resulting from the Private Placement***

Upon issuance, the additional shares of authorized common stock would have rights identical to the shares of the Company common stock that are currently outstanding. While adoption of the Charter Amendment would not have any immediate dilutive effect on the proportionate voting power or other rights of existing stockholders, the consummation of the transactions contemplated pursuant to the Subscription Agreement will have a substantial dilutive effect on the voting power and the percentage of equity ownership of our existing stockholders. Based on 28,838,216 shares of common stock outstanding as of April 20, 2010, after giving effect to the closing of the Private Placement, the Private Placement Shares will represent approximately 42.8% of the outstanding common stock, on a fully diluted basis (assuming none of the Warrants are exercised), and the Private Placement Shares and the Warrant Shares, collectively, will equal approximately 60.0% of the outstanding common stock, on a fully diluted basis (assuming the full exercise of the Warrants). See “Purpose of the Charter Amendment – Private Placement,” above. Current stockholders have no preemptive or similar rights, which means that current stockholders do not have a prior right to purchase any newly issued common stock in order to maintain their proportionate ownership thereof.

##### ***Other Effects of the Charter Amendment***

While the Company has not proposed the increase in the authorized number of shares with the intention of using the additional shares for anti-takeover purposes, the Company could theoretically use the additional shares

to make more difficult or to discourage an attempt to acquire control of the Company because the issuance of such additional shares could be used to dilute the stock ownership or voting rights of a person seeking to obtain control of the Company. For example, without further stockholder approval, the Board of Directors could sell shares of common stock in a private transaction to purchasers who would oppose a takeover or favor the current Board of Directors. Although this proposal to increase the authorized number of shares of common stock has been prompted by the considerations described above and not by the threat of any known or threatened hostile takeover attempt or any effort to accumulate Company common stock or to obtain control of the Company of which the Company is aware, stockholders should be aware that approval of this proposal could facilitate future Company efforts by to oppose changes in control and perpetuate the Company's management, including transactions in which the stockholders might otherwise receive a premium for their shares over then current market prices.

The Company could also use the additional shares of common stock for potential strategic transactions including, among other things, acquisitions, spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations and investments, although the Company has no present plans to do so. The Company cannot provide assurances that any such transactions (i) will be consummated on favorable terms or at all, (ii) will enhance stockholder value or (iii) will not adversely affect the business of the Company or the trading price of its common stock. Any such transactions may require the Company to incur non-recurring or other charges and may pose significant integration challenges or management and business disruptions, any of which could materially and adversely affect the Company's business and financial results.

#### **Interests of Certain Officers and Directors**

As further outlined in "Certain Relationships and Related Transactions," the Company has accrued approximately \$1.2 million of unpaid compensation due to Mr. Frank Jaksch and Mr. Germain (as previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ending January 2, 2010). The Board of Directors has previously determined that we lacked the financial resources to make such payments. The Subscribers have required the Company to make these payments under the terms of the Subscription Agreement. The disinterested members of the Board of Directors examined this requirement and have determined that its approval was in the best interest of the Company and the stockholders and that there will be sufficient proceeds from the Private Placement to be used in part for the making of such payments along with the other approved uses (see "Purpose of the Charter Amendment – Private Placement – Use of Proceeds," above).

In connection with the Private Placement, the Company has agreed to issue certain stock options to the Company's directors and all active employees (including our executive officers) (see "Purpose of the Charter Amendment – Private Placement – Issuance of Options to Purchase Common Stock.")

#### **Vote Required and Recommendation of the Board of Directors**

Proposal No. 2 requires the affirmative vote of a majority of the outstanding shares of common stock entitled to vote. Abstentions and broker non-votes are not considered consents and, therefore, will have the same effect as votes against this proposal. The approval of this proposal is necessary to have enough shares to close on the sale of the Private Placement Shares and the Warrants in the Private Placement discussed above. Stockholders are not being asked to separately approve the Private Placement. If this Proposal No. 2 is not approved by the stockholders, the Private Placement will not be able to occur on the terms set forth in the Subscription Agreement. The Company intends to implement the Charter Amendment if approved by stockholders, even if the transactions contemplated under the Private Placement are not consummated.

**THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE PROPOSED AMENDMENT TO OUR CERTIFICATE OF INCORPORATION.**

**PROPOSAL NO. 3:**  
**APPROVAL OF AN AMENDMENT TO THE**  
**SECOND AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN**

**Background**

In connection with the transactions contemplated under the previously described Private Placement, the Company has agreed to revise the number of shares of common stock reserved for issuance under the Company's Second Amended and Restated 2007 Equity Incentive Plan (the "Restated 2007 Plan") from (i) the greater of (A) 4,000,000 shares of common stock, or (B) 10% of the shares of the common stock issued and outstanding, to (ii) 20% of the shares of common stock issued and outstanding, as determined on a fully diluted basis (the "Plan Size Amendment"). See Proposal No. 2: "Approval of an Amendment to the Certificate of Incorporation to Increase the Authorized Number of Shares of Common Stock – Purpose of the Charter Amendment – Private Placement." The Plan Size Amendment is not a condition to the closing of the Private Placement but is required in connection with issuance of the previously described Post-Closing Grants to be issued after the closing of the Private Placement.

In addition to the Plan Size Amendment, the Company is seeking stockholder approval to further revise the Restated 2007 Plan to:

- increase the number of shares of Restated 2007 Plan that may be subject to incentive stock options from 4,000,000 shares to 8,000,000 shares (the "ISO Amendment"); and
- revise the annual limitation on the number of shares underlying awards to a plan participant from 2% of the then issued and outstanding shares of Common Stock in any fiscal year to 4,000,000 shares of Common Stock in any calendar year, so as to enable the Company to meet the requirements under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), for tax deductibility of compensation income from the exercise of stock options granted under the plan after the date of the amendment to certain of our executives (the "162 Amendment" and collectively with the Plan Size Amendment and the ISO Amendment, the "EIP Amendments").

On April 21, 2010 the Board of Directors, subject to requisite stockholder approval, approved the Plan Size Amendment, the ISO Amendment and the 162 Amendment.

**Summary of the Plan**

The purpose of the Restated 2007 Plan is to increase stockholder value and to advance the interests of the Company by furnishing a variety of incentives designed to attract, retain and motivate employees, officers, directors and consultants of the Company and its subsidiaries. As of January 2, 2010, approximately 982,712 shares of common stock were available for issuance under the Restated 2007 Plan.

A copy of the Restated 2007 Plan, as amended by the EIP Amendments (the "Revised 2007 Plan"), is appended to this Proxy Statement as Appendix B. The description that follows is qualified in its entirety by reference to the full text of the Revised 2007 Plan.

**Administration of the Plan**

The plan is administered by the Board of Directors, which may in turn delegate authority to administer the plan or specific portions thereof to one or more committees and/or one or more executive officers of the Company. The Board of Directors has delegated administration of the plan to the Compensation Committee of the Board of Directors (the "Compensation Committee"), but retains the authority to, at any time, revert in itself some or all of the powers previously delegated to the Compensation Committee. In this discussion, the Board of Directors, the Compensation Committee and any other committee or executive officers the Board of Directors may appoint to administer the plan are collectively referred to as the "Administrator."



The Compensation Committee has further delegated to the Chief Executive Officer and the Chief Financial Officer, on a discretionary basis and without committee review or approval, the ability to grant stock options under the plan to (i) employees other than themselves and other persons subject to Section 16 of the Exchange Act to purchase from 2,500 to 10,000 shares (based on employee status) on an annual basis and (b) up to 40,000 shares to consultants. Such discretionary grants to consultants may not exceed 200,000 shares in any 12-month period. Subject to these limitations, the Chief Executive Officer and Chief Financial Officer will determine from time to time (i) the employees and consultants to whom these grants will be made and (ii) the number of shares to be granted.

### **Eligible Participants**

Officers, employees, and members of the Board of Directors or a subsidiary and consultants who provide services to the Company or a subsidiary are eligible to receive awards under the plan.

### **Shares Available For Award**

The aggregate number of shares of Company common stock available for awards made under the plan is currently the greater of (A) 4,000,000 shares of common stock, or (B) 10% of the shares of the common stock issued and outstanding. As of January 2, 2010, the Company had 28,838,216 shares issued and outstanding. As such, the aggregate number of shares of common stock available for awards made under the plan is currently 4,000,000. If this Proposal No. 3 is adopted by our stockholders at the annual meeting, it will make available for issuance under the plan 20% of the shares of common stock issued and outstanding, as determined on a fully diluted basis, provided that not more than 8,000,000 shares of Company common stock may be subject to incentive stock options granted under the plan.

The following is not included in calculating the share limitations set forth above:

- dividends;
- awards which by their terms are settled in cash rather than the issuance of shares; and
- any shares subject to an award that is forfeited, cancelled, terminated, expires, or lapses for any reason.

In addition, currently no plan participant may be granted an award(s) in any fiscal year in which the combined number of shares underlying such award(s) exceeds 2% of the then issued and outstanding shares of common stock. This Proposal No. 3 would limit the number of shares underlying award(s) to a participant to 4,000,000 shares of Common Stock in any calendar year. In each case all of the aforementioned limitations are inclusive of shares subject to prior awards granted.

We further adjust the number of shares reserved for issuance under the plan and the terms of awards in the event of an adjustment in our capital stock structure or one of our affiliates due to a merger, consolidation, reorganization, stock split, stock dividend or similar event.

### **Types of Awards and Terms and Conditions**

#### *Stock Options*

The plan authorizes the grant of both incentive stock options and nonqualified stock options. The Administrator will determine the option price at which a participant may exercise an option. The option price may not be less than 100% of the fair market value on the date of grant (or 110% of the fair market value with respect to incentive stock options granted to a 10% or more stockholder).

Unless an individual award agreement provides otherwise, a participant may pay the option price in cash or, to the extent permitted by the Administrator and applicable laws, (i) with shares of our common stock, or (ii) in any other form of legal consideration that may be acceptable to the Administrator, or a combination of the foregoing.

At the time of option grant, the Administrator will determine the terms and conditions of an option, the period or periods during which an option is exercisable, and the option term (which may not exceed 10 years, or five years with respect to incentive stock options granted to a 10% or more stockholder). Options are also subject to certain restrictions on exercise if the participant terminates employment or service.

#### *Stock Bonus Awards and Restricted Stock Awards*

Subject to the limitations of the plan, the Administrator may grant stock bonus awards and restricted stock awards to such individuals in such numbers, upon such terms, and at such times as the Administrator shall determine. Stock bonus awards and restricted stock awards may be subject to certain conditions which must be met for such stock awards to vest and be earned, in whole or in part, and be no longer subject to forfeiture.

Subject to certain limitations in the plan, the Administrator will determine the period during which a participant may earn such a stock award and the conditions to be met in order for it to be granted or to vest or be earned.

Subject to the terms of the plan, the Administrator determines whether and to what degree stock bonus awards and restricted stock awards have vested. If a participant's employment or service is terminated for any reason and all or any part of a stock bonus award or restricted stock award has not vested pursuant to the terms of the plan and the individual award agreement, the Company may reacquire the unvested shares for the participant's original consideration unless the Administrator determines otherwise.

#### **Corporate Transaction**

Upon a "Corporate Transaction," as defined in the plan, any surviving corporation or acquiring corporation may assume or continue any or all options or restricted stock awards outstanding under the plan or may substitute similar options or restricted stock awards for those outstanding under the plan. In the event that any surviving corporation or acquiring corporation does not assume or continue any or all such outstanding options or restricted stock awards or substitute similar options or restricted stock awards for such outstanding options or restricted stock awards, then with respect to options or restricted stock awards that have not been assumed, continued or substituted, the Administrator may:

- cancel all outstanding options or restricted stock awards, and terminate the plan, effective as of the consummation of such Corporate Transaction, provided that it will notify all participants of the proposed Corporate Transaction so that each such participant will be given an opportunity to exercise the then exercisable portion of such options or restricted stock awards prior to the cancellation thereof, and provided that the Company exercises its repurchase option with respect to outstanding stock awards, to the extent such right has not lapsed; or
- deem the vesting of all or a portion of options or restricted stock awards that have not been assumed, continued or substituted prior to the closing accelerated in full, and any reacquisition or repurchase rights held by the Company with respect to such options or restricted stock awards shall lapse.

#### **Transfer and Other Restrictions**

Awards generally are not transferable other than by will or the laws of intestate succession or as may otherwise be permitted by the Administrator, and participants may not sell, transfer, assign, pledge or otherwise encumber shares subject to such awards until the restriction period and/or performance period has expired and until all conditions to vesting the award have been met. As a condition to the issuance or transfer of common stock or the grant of any other plan benefit, we may require a participant or other person to become a party to an agreement imposing such conditions or restrictions as we may require.

## **Termination and Amendment**

The Administrator may amend, alter, or terminate the plan at any time, subject to stockholder approval in certain instances and provided that rights under then outstanding awards may not be impaired by an amendment without participant consent. Our Administrator may also amend, alter, or terminate any award, although participant consent may be required.

## **Certain Federal Income Tax Consequences**

The following generally describes the principal federal (and not state and local) income tax consequences of awards granted under the plan as of this time. The summary is general in nature and is not intended to cover all tax consequences that may apply to a particular participant or to the Company. The provisions of the Code, and related regulations and other guidance are complicated and their impact in any one case may depend upon the particular circumstances.

### *Incentive Options*

The grant and exercise of an incentive stock option generally will not result in taxable “compensation” income to the participant if the participant does not dispose of shares received upon exercise of such option less than one year after the date of exercise and two years after the date of grant, and if the participant has continuously been an employee of the Company from the date of grant to three months before the date of exercise (or 12 months in the event of disability). However, the excess of the fair market value of the shares received upon exercise of the option over the option price generally will constitute an item of adjustment in computing the participant’s alternative minimum taxable income for the year of exercise. Thus, certain participants may incur federal income tax liability as a result of the exercise of an incentive option under the alternative minimum tax rules of the Code.

The Company generally is not entitled to a deduction upon the exercise of an incentive option unless the employee recognizes compensation income as described below. Upon the disposition of shares acquired upon exercise of an incentive option, the participant will be taxed on the amount by which the amount realized exceeds the option price. Assuming the holding period requirement is met, this amount will be treated as capital gain or loss.

If the holding period requirements described above are not met, the participant will have compensation income in the year of disposition to the extent of the lesser of: (i) the fair market value of the stock on the date of exercise minus the option price or (ii) the amount realized on disposition of the stock minus the option price. The Company generally is entitled to deduct as compensation the amount of compensation income realized by the participant, subject to a limitation on the deduction of compensation paid to any of certain specified officers in excess of \$1 million in any year if the plan or the option grant fails to meet certain requirements. Adoption of this Proposal No. 3 will enable the plan to meet one of the requirements under Section 162(m) of the Code for tax deductibility of compensation income from the exercise of stock options granted under the plan to certain of the Company’s executive officers, even if their compensation should exceed \$1 million in a year.

Pursuant to the Code and the terms of the plan, in no event can there first become exercisable by a participant in any one calendar year incentive stock options granted by the Company with respect to shares having an aggregate fair market value (determined at the time an option is granted) greater than \$100,000. To the extent an incentive option granted under the plan exceeds this limitation, it will be treated as a nonqualified option.

### *Nonqualified Options*

The grant of a nonqualified option is a non-taxable event. However, upon exercise the difference between the fair market value of the stock on the date of exercise and the option price will constitute taxable compensation income to the participant on the date of exercise, which compensation is subject to income and

employment tax withholding. The Company generally will be entitled to a deduction in the same year in an amount equal to the income taxable to the participant, subject to a limitation on the deduction of compensation paid to any of certain specified officers in excess of \$1 million in any year if the plan or the option grant fails to meet certain requirements. Adoption of this Proposal No. 3 will enable the plan to meet one of the requirements under Section 162(m) of the Code for tax deductibility of compensation income from the exercise of stock options granted under the plan to certain of the Company's executive officers, even if their compensation should exceed \$1 million in a year.

*Stock Bonus Awards and Restricted Stock Awards*

Upon the grant of stock bonus awards that are fully vested at time of grant, the fair market value of the shares subject to such awards at such date, less cash or other consideration paid (if any), will be taxed to the participant as compensation income. The grant of stock bonus awards with vesting requirements and restricted stock awards will not result in taxable compensation income to the participant or a tax deduction to the Company at the time of grant. In the year that the stock bonus or restricted stock becomes vested and is no longer subject to a substantial risk of forfeiture, the fair market value of such shares at such date, less cash or other consideration paid (if any), will be taxed to the participant as compensation income. However, the participant may elect under Code Section 83(b) to include in his ordinary income at the time the stock bonus or restricted stock is granted, the fair market value of such shares at such time, less any amount paid for the shares. The Company generally will be entitled to a corresponding tax deduction at the time the value of the shares is included in the participant's compensation income, subject to a limitation on the deduction of compensation paid to any of certain specified officers in excess of \$1 million in any year.

**Section 409A of the Internal Revenue Code of 1986**

Section 409A of the Code imposes certain requirements on deferred compensation. The Company intends for the plan to comply with the requirements of Section 409A of the Code including related regulations and guidance, where applicable and to the extent practicable. If, however, Section 409A of the Code is deemed to apply to an award, and the plan and award do not satisfy the requirements of Section 409A of the Code during a taxable year, the participant will have ordinary income in the year of non-compliance in the amount of all deferrals subject to Section 409A of the Code to the extent that the award is not subject to a substantial risk of forfeiture. The participant may be subject to additional tax liabilities under Section 409A of the Code (40% combined federal and California) on all amounts includible in income and may also be subject to interest charges if the 409A violation is discovered in a later tax year.

**Plan Benefits**

The Administrator in its sole discretion will determine the number and types of awards that will be granted under the plan. Therefore, other than as disclosed below, it is not possible to determine at this time all the benefits or amounts that will be received by eligible participants if the EIP Amendments are approved by our stockholders.

<u>Name and Position</u>	<u>Stock Options (1)</u>	<u>Dollar Value \$ (2)</u>
Frank L. Jaksch, Jr. . . . . Chief Executive Officer and President	3,075,000(3)	\$—
Thomas C. Varvaro . . . . . Chief Financial Officer, Treasurer and Secretary	1,628,500(4)	\$—
Executive Group . . . . .	4,703,500	\$—
Non-Executive Director Group . . . . .	1,729,000	\$—
Non-Executive Officer Employee Group . . . . .	1,606,016	\$—

(1) Market-priced options that have a ten-year term. The vesting periods are not determinable.

- (2) The dollar value of these grants, which are to be awarded in the future, is not determinable at this time nor can the expected aggregate grant date fair value of stock option awards based on the fiscal year ended January 2, 2010 be calculated because vesting and expiration dates must both be known to value using the Black-Scholes model. See Note 8 of the ChromaDex Corporation Consolidated Financial Report included in our Annual Report on Form 10-K for the year ended January 2, 2010 for a description of certain assumptions in the calculation of the fair value of the Company's stock options.
- (3) 800,000 are to be awarded pursuant to Mr. Jaksch's Amended and Restated Employment Agreement and 2,275,000 are to be awarded within 60 days of the consummation of the transactions contemplated by the Private Placement discussed in Proposal No. 2.
- (4) 400,000 are to be awarded pursuant to Mr. Varvaro's Amended and Restated Employment Agreement and 1,228,500 are to be awarded within 60 days of the consummation of the transactions contemplated by the Private Placement discussed in Proposal No. 2.

#### **Vote Required and Recommendation of the Board of Directors**

Proposal No. 3 requires the affirmative vote of a majority of the shares represented at the annual meeting and entitled to vote. The approval of this proposal is necessary to satisfy a condition to the Subscription Agreement described in Proposal No. 2. The Company intends to implement the EIP Amendments if approved by our stockholders, even if the transactions contemplated under the Subscription Agreement are not consummated.

**THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR  
APPROVAL OF THE EIP AMENDMENTS.**

## PROPOSAL NO. 4:

### RATIFICATION OF MCGLADREY & PULLEN LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

McGladrey & Pullen LLP (“McGladrey & Pullen”) has been engaged by the Audit Committee to act in such capacity for the fiscal year ending January 1, 2011. Although it is not required to do so, the Board of Directors is asking the Company’s stockholders to ratify the Audit Committee’s selection of McGladrey & Pullen. If the Company’s stockholders do not ratify the selection of McGladrey & Pullen, another independent registered public accounting firm will be considered by the Audit Committee. Even if the selection is ratified by stockholders, the Audit Committee may in its discretion change the appointment at any time during the year, if it determines that such a change would be in the best interests of the Company and its stockholders. Representatives of McGladrey & Pullen are expected to be available via telephone for, but not present at, the annual meeting. They will have an opportunity to make a statement, if they desire to do so, and will be available to respond to appropriate questions.

During each of the two fiscal years ending January 2, 2010 and January 3, 2009, McGladrey & Pullen was the Company’s independent registered public accounting firm. There were no disagreements between the Company and McGladrey & Pullen on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of McGladrey & Pullen, would have caused McGladrey & Pullen to make reference to the subject matter of the disagreements in connection with its reports on the financial statements for such years. There were no “reportable events” as defined in Item 304(a)(1)(v) of Regulation S-K during either of the Company’s fiscal years ending January 2, 2010 and January 3, 2009. During these fiscal years, the Company did not consult with McGladrey & Pullen regarding (1) the application of accounting principles to any transaction, either completed or proposed; (2) the type of audit opinion that might be rendered on our financial statements; or (3) any matter that was the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K) or a reportable event (as defined in Item 304(a)(1)(v) of Regulation S-K).

#### Audit Fees

During the period covering the fiscal years ended January 2, 2010 and January 3, 2009, McGladrey & Pullen, LLP and RSM McGladrey, Inc. performed the following professional services:

<u>Description</u>	<u>2009</u>	<u>2008</u>
Audit Fees (1) . . . . .	\$119,000	\$170,000
Audit-Related Fees (2) . . . . .	\$ 0	\$ 18,000
Tax Fees (3) . . . . .	\$ 22,000	\$ 20,000
All Other Fees . . . . .	\$ —	\$ —

- (1) Audit fees consist of fees for the audit of the Company’s financial statements and review of financial statements included in the Company’s quarterly reports.
- (2) Audit-related fees include costs incurred for reviews of registration statements and review of the Company’s SOX 404 project.
- (3) Tax fees consist of fees for the preparation of federal and state income tax returns and other matters.

#### Policy for Pre-Approval of Independent Auditor Services

The Audit Committee’s policy is to pre-approve all audit and permissible non-audit services provided by the independent auditor. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the specific service or category of service and is generally subject to a specific budget. The independent auditor and

management are required to periodically communicate to the Audit Committee regarding the extent of services provided by the independent auditor in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis.

**Vote Required and Recommendation of the Board of Directors**

The affirmative vote of a majority of the shares of the Company's common stock represented at the meeting and entitled to vote is necessary to ratify the appointment of McGladrey & Pullen as the Company's independent registered public accounting firm for present fiscal year.

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE RATIFICATION OF  
MCGLADREY & PULLEN AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
FOR THE FISCAL YEAR ENDING JANUARY 1, 2011.**



## OTHER MATTERS

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16 of the Exchange Act requires our executive officers, directors and persons who own more than 10% of our common stock to file initial reports of ownership and reports of changes in ownership with the SEC and to furnish us with copies of such reports. Based solely on our review of the copies of such forms furnished to us and written representations from these officers and directors, we believe that all Section 16(a) filing requirements for our executive officers, directors and 10% stockholders were met during the year ended January 2, 2010 except as follows: Frank L. Jaksch Jr. was late in filing one report for one transaction; Thomas C. Varvaro was late in filing one report for one transaction; Stephen Block was late in filing one report for one transaction; Reid Dabney was late in filing one report for one transaction; Hugh Dunkerley was late in filing one report for one transaction; Mark Germain was late in filing one report for one transaction and Kevin Jaksch was late in filing one report for one transaction.

### Expenses of Proxy Solicitation

Brokerage firms and other custodians, nominees and fiduciaries will be requested to forward the soliciting material to beneficial owners and to obtain authorization for the execution of proxies, and we will reimburse such brokerage firms, other custodians, nominees and fiduciaries for reasonable expenses incurred in sending proxy materials to beneficial owners of our common stock. Our directors, officers and employees may solicit proxies by telephone or in person (but will receive no additional compensation for such solicitation). We will bear the expense of this proxy solicitation.

### Annual Report on Form 10-K

A copy of our Annual Report on Form 10-K filed with the SEC for the year ended January 2, 2010 accompanies this notice of annual meeting and proxy statement. No portion of the Annual Report is incorporated herein or is to be considered proxy soliciting material. Additional copies of the Annual Report on Form 10-K for the fiscal year ended January 2, 2010, will be provided, without charge, upon the written request of any stockholder. This request should be directed to ChromaDex Corporation, 10005 Muirlands Blvd., Suite G, Irvine, California 92618 ; Attn: Chief Financial Officer. Our latest quarterly report on Form 10-Q is available from our Chief Financial Officer at the foregoing address. Our Annual Report on Form 10-K and our other periodic filings are available on the SEC's website at [www.sec.gov](http://www.sec.gov) as well as through our Company's website at [www.chromadex.com](http://www.chromadex.com) under "Investor Relations, SEC Filings."

### Stockholder Proposals

In accordance with SEC rules, if a stockholder wishes to have a proposal printed in the proxy statement to be used in connection with our next annual meeting of stockholders, such proposal must be received by Thomas C. Varvaro, Secretary, at the address above prior to January 7, 2011 in order to be included in our proxy statement and form of proxy relating to that meeting. For any proposal that is not submitted for inclusion in next year's proxy statement (as described in the preceding paragraph) but is instead sought to be presented directly at next year's annual meeting, SEC rules permit management to vote proxies in its discretion if (a) we receive notice of the proposal before the close of business on March 23, 2011 and advise stockholders in next year's proxy statement about the nature of the matter and how management intends to vote on the matter, or (b) does not receive notice of the proposal prior the close of business on March 23, 2011.

In addition, stockholders may present proposals, which are proper subjects for consideration at an Annual Meeting, even if the proposal is not submitted by the deadline for inclusion in the proxy statement. To do so, the stockholder must comply with the procedures specified in our Bylaws. Our Bylaws require that, for other business to be properly brought before an annual meeting by a stockholder, we must have received written notice thereof not less than 60 nor more than 90 days prior to the annual meeting (or, if less than 70 days notice or other



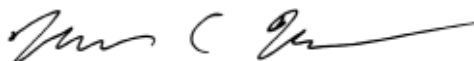
public disclosure of the date of the annual meeting is given, not later than 10 days after the earlier of the date notice was mailed or public disclosure of the date was made). The notice must set forth (a) a brief description of the business proposed to be brought before the annual meeting, (b) the stockholder's name and address, (c) the number of shares beneficially owned by such stockholder as of the date of the stockholder's notice, and (d) any financial interest of such stockholder in the proposal. Similar information is required with respect to any other stockholder, known by the stockholder giving notice, supporting the proposal. Any proposals we do not receive in accordance with the above standards may not be presented at the 2011 Annual Meeting of stockholders.

If the proposal includes the nomination of a person to become a director, the nomination is required to contain certain information about both the nominee and the stockholder making the nomination as set forth in our bylaws. In addition, the notice of nomination must include information regarding the recommended candidate relevant to a determination of whether the recommended candidate would be considered independent under Rule 10A-3 under the Exchange Act, or, alternatively, a statement that the recommended candidate would not be independent. A nomination which does not comply with the above requirements will not be considered.

#### **OTHER BUSINESS**

The Board knows of no other matters that are likely to come before the meeting. If any such matters should properly come before the meeting, however, it is intended that the persons named in the accompanying form of proxy will vote such proxy in accordance with their best judgment on such matters.

By Order of the Board of Directors



Thomas C. Varvaro  
*Chief Financial Officer and Secretary*

May 4, 2010

**APPENDIX A**  
AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
CHROMADEx CORPORATION

ChromaDex Corporation, a corporation organized and existing under the laws and by virtue of the General Corporation Law of the State of Delaware (the "Corporation").

DOES HEREBY CERTIFY:

1. The name of the Corporation is ChromaDex Corporation.
2. The Corporation was originally incorporated under the name Cody Resources, Inc. The date of filing of the original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware was June 19, 2008 (the "Initial Certificate"). The date of the filing of the name change to ChromaDex Corporation with the Secretary of State of the State of Delaware was June 20, 2008 (together with the Initial Certificate, the "Original Certificate of Incorporation").
3. This Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of the Corporation and holders of a majority of shares entitled to vote thereon pursuant to the applicable provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

4. The Original Certificate of Incorporation, shall be amended and restated in its entirety to read as follows:

I.

The name of this corporation is ChromaDex Corporation.

II.

The address, including street, number, city and country, of the registered office of the corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware, 19801; and the name of the registered agent of the Corporation in the State of Delaware at such address is the Corporation Trust Company.

III.

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

IV.

The Corporation is authorized to issue one class of stock, which shall be designated as "Common Stock". The total number of shares of Common Stock the Corporation is authorized to issue is One Hundred Fifty Million (150,000,000) with a par value of \$.001 per share.

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the corporation.

V.

The number of directors of the corporation shall be fixed from time to time by a bylaw or amendment thereof duly adopted by the Board of Directors or by the stockholders.

VI.

The election of directors need not be by written ballot unless the Bylaws of the corporation shall so provide.

VII.

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the corporation.

VIII.

The corporation shall, to the fullest extent permitted by Section 145 of the General Corporation Law of Delaware, as the same exists or as may hereafter be amended and supplemented from time to time, indemnify any and all directors and officers whom it shall have the power to indemnify under said Section 145 from and against any and all of the expenses, liabilities, or other matters referred to or covered by said Section, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director or officer, and shall inure to the benefit of the heirs, executors, and administrators of such a person. To the fullest extent permitted by Delaware law, as it may be amended from time to time, no director of the Corporation shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director.

IX.

The corporation reserves the right at any time, and from time to time, to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this article.

IN WITNESS WHEREOF, ChromaDex Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by \_\_\_\_\_, its \_\_\_\_\_ this \_\_ day of \_\_\_\_\_, 2010.

CHROMADEX CORPORATION

By: \_\_\_\_\_  
\_\_\_\_\_

## APPENDIX B

### CHROMADEx CORPORATION

#### SECOND AMENDED AND RESTATED 2007 EQUITY INCENTIVE PLAN

Adopted March 13, 2007

Approved By Shareholders April 5, 2007

Termination Date: March 13, 2017

Amended and Restated: February 11, 2008 and May 12, 2008

Amended: May 20, 2010

#### 1. PURPOSES.

(a) **Eligible Stock Award Recipients.** The persons eligible to receive Stock Awards are the Employees, Directors and Consultants of the Company and its Affiliates.

(b) **Available Stock Awards.** The purpose of this Plan is to provide a means by which eligible recipients of Stock Awards may be given an opportunity to benefit from increases in value of the Common Stock through the granting of the following Stock Awards: (i) Incentive Stock Options, (ii) Nonstatutory Stock Options, (iii) stock bonuses and (iv) rights to acquire restricted stock.

(c) **General Purpose.** The Company, by means of this Plan, seeks to retain the services of the group of persons eligible to receive Stock Awards, to secure and retain the services of new members of this group and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Affiliates.

#### 2. DEFINITIONS.

(a) **“Administrator”** means, collectively the Board, and/or one or more Committees, and/or one or more executive officers of the Company designated by the Board to administer the Plan or specific portions thereof; provided, however, that the administration of Stock Awards with respect to any Participant who is subject to Section 16 of the Exchange Act may only be administered by a committee of Independent Directors (as defined in Section 2(s)).

(b) **“Affiliate”** means any parent corporation or subsidiary corporation of the Company, whether now or hereafter existing, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(c) **“Board”** means the Board of Directors of the Company.

(d) **“Capitalization Adjustment”** has the meaning given to that term in Section 11(a).

(e) **“Change of Control”** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) any “person” (as such term is used in Section 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction;

(ii) the consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization (or similar transaction), if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity’s securities outstanding immediately after such merger, consolidation or other reorganization (or similar transaction) is Owned by persons who were not shareholders of the Company immediately prior to such merger, consolidation or other reorganization; or

(iii) the consummation of a sale, transfer or other disposition of all or substantially all of the Company's assets.

The term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company or creating a holding company that will be Owned in substantially the same proportions by the persons or entities who held the Company's securities immediately before such transaction.

(f) "**Code**" means the Internal Revenue Code of 1986, as amended.

(g) "**Committee**" means a committee of one or more members of the Board appointed by the Board to administer the Plan or specific portions thereof.

(h) "**Common Stock**" means the common stock of the Company.

(i) "**Company**" means ChromaDex Corporation, a Delaware corporation.

(j) "**Consultant**" means any person, including an advisor, engaged by the Company or an Affiliate to render consulting or advisory services and who is compensated for such services. The term "Consultant" shall not include Directors who are not compensated by the Company for services as Directors, and the payment of a director's fee by the Company to a Director for his or her services as a Director shall not cause such Director to be considered a "Consultant" for purposes of this Plan.

(k) "**Continuous Service**" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, shall not terminate a Participant's Continuous Service. For example, a change in status from an Employee of the Company to a Consultant for an Affiliate or to a Director shall not constitute an interruption of Continuous Service. The Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave. Notwithstanding the foregoing, a leave of absence shall be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the Company's leave of absence policy or in the written terms of the Participant's leave of absence.

(l) "**Corporate Transaction**" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its discretion, of the consolidated assets of the Company and its subsidiaries;

(ii) a sale or other disposition of at least fifty percent (50%) of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(m) "**Director**" means a member of the Board of Directors of the Company or an Affiliate of the Company.

(n) “**Disability**” means the inability of a person, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of that person’s position with the Company or an Affiliate because of the sickness or injury of the person.

(o) “**Employee**” means any person employed by the Company or an Affiliate. Service as a Director or payment of a director’s fee by the Company or such service or for service as a member of the Board of Directors of an Affiliate shall not be sufficient to constitute “employment” by the Company or an Affiliate.

(p) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

(q) “**Fair Market Value**” means, as of any date, provided the Common Stock is listed on an established stock exchange or a national market system, including without limitation the Over-the-Counter Bulletin Board (“OTCBB”) market, the Nasdaq Global Market or Nasdaq Global Select Market of the National Association of Securities Dealers, Inc. Automated Quotation (“Nasdaq”) System, the Fair Market Value of a share of Common Stock shall be the average of the highest and the lowest trading prices for such stock on the date of grant of the Award. If no sales were reported on such date of grant of the Award, the Fair Market Value of a share of Common Stock shall be the average of the highest and lowest trading prices for such stock on the last market trading day with reported sales prior to the date of determination. In the case where the Company is not listed on an established stock exchange or national market system, Fair Market Value shall be determined by the Board in good faith in accordance with Code Section 409A and the applicable Treasury regulations.

(r) “**Fiscal Year**” means a fiscal year of the Company.

(s) “**Independent Directors**” means a Non-Employee Director who is (i) a “non-employee director” within the meaning of Section 16b-3 of the Exchange Act, (ii) “independent” as determined under the rules or regulations of any applicable securities market, and (iii) an “outside director” under Treasury Regulation Section 1.162-27(e)(3), as any of these definitions may be modified or supplemented from time to time.

(t) “**Incentive Stock Option**” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(u) “**Nonstatutory Stock Option**” means an Option not intended to qualify as an Incentive Stock Option.

(v) “**Non-Employee Director**” means a Director who is not employed by the Company or an Affiliate.

(w) “**Officer**” means any person designated by the Company as an officer.

(x) “**Option**” means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to this Plan.

(y) “**Option Agreement**” means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an individual Option grant. Each Option Agreement shall be subject to the terms and conditions of this Plan.

(z) “**Optionholder**” means a person to whom an Option is granted pursuant to this Plan or, if applicable, such other person who holds an outstanding Option.

(aa) “**Own,**” “**Owned,**” “**Owner,**” “**Ownership**” A person or entity shall be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person or entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(bb) “**Participant**” means a person to whom a Stock Award is granted pursuant to this Plan or, if applicable, such other person who holds an outstanding Stock Award.

(cc) “**Plan**” means this Second Amended and Restated ChromaDex Corporation 2007 Equity Incentive Plan, as amended.

(dd) “**Securities Act**” means the Securities Act of 1933, as amended.

(ee) “**Stock Award**” means any right granted under this Plan, including an Option, a stock bonus and a right to acquire restricted stock.

(ff) “**Stock Award Agreement**” means a written agreement between the Company and a holder of a Stock Award evidencing the terms and conditions of an individual Stock Award grant. Each Stock Award Agreement shall be subject to the terms and conditions of this Plan.

(gg) “**Ten Percent Shareholder**” means a person or entity who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its Affiliates.

### 3. ADMINISTRATION.

(a) **The Administrator.** The Administrator, if not the Board, shall be appointed by the Board from time to time.

(b) **Powers of the Administrator.** The Administrator shall have the power, subject to, and within the limitations of, the express provisions of this Plan:

(i) To determine from time to time which of the persons eligible under this Plan shall be granted Stock Awards; when and how each Stock Award shall be granted; what type or combination of types of Stock Award shall be granted; the provisions of each Stock Award granted (which need not be identical), including the time or times when a person shall be permitted to receive Common Stock pursuant to a Stock Award; and the number of shares of Common Stock with respect to which a Stock Award shall be granted to each such person.

(ii) To construe and interpret this Plan and Stock Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Administrator, in the exercise of this power, may correct any defect, omission or inconsistency in this Plan or in any Stock Award Agreement, in a manner and to the extent it shall deem necessary or expedient to make this Plan fully effective.

(iii) To amend this Plan or a Stock Award as provided in Section 12.

(iv) Generally, to exercise such powers and to perform such acts as the Administrator deems necessary or expedient to promote the best interests of the Company which are not in conflict with the provisions of this Plan.

(c) **Effect of Administrator’s Decision.** All determinations, interpretations and constructions made by the Administrator in good faith shall not be subject to review by any person and shall be final, binding and conclusive on all persons.

### 4. SHARES SUBJECT TO THIS PLAN.

(a) **Share Reserve.** Subject to the provisions of Section 11 relating to Capitalization Adjustments, the Common Stock that may be issued pursuant to Stock Awards shall not exceed 20% of the shares of Common Stock issued and outstanding, as determined on a fully diluted basis, on any date during the Plan Term, as determined in accordance with Section 13(a). No more than eight million (8,000,000) shares of Common Stock may be subject to Incentive Stock Options granted under this Plan.



**(b) Reversion of Shares to the Share Reserve.** If any Stock Award shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, the shares of Common Stock not acquired under such Stock Award shall revert to and again become available for issuance under this Plan.

**(c) Source of Shares.** The shares of Common Stock subject to this Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

## **5. ELIGIBILITY.**

**(a) Eligibility for Specific Stock Awards.** Incentive Stock Options may be granted only to Employees. Stock Awards other than Incentive Stock Options may be granted to Employees, Directors and Consultants.

**(b) Ten Percent Shareholders.** A Ten Percent Shareholder shall not be granted an Incentive Stock Option unless the per-share exercise price of such Option is at least one hundred ten percent (110%) of the Fair Market Value of a share of the Common Stock on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

## **6. OPTION PROVISIONS.**

Each Option shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate, consistent with the provisions of this Plan. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and, if certificates are issued, a separate certificate or certificates shall be issued for shares of Common Stock purchased on exercise of each type of Option. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

**(a) Term.** Subject to the provisions of Section 5(b) regarding Ten Percent Shareholders, no Option shall be exercisable after the expiration of ten (10) years from the date it was granted.

**(b) Exercise Price of an Incentive Stock Option.** Subject to the provisions of Section 5(b) regarding Ten Percent Shareholders, the per-share exercise price of each Incentive Stock Option shall be not less than one hundred percent (100%) of the Fair Market Value of a share of the Common Stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, an Incentive Stock Option may be granted with an exercise price lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code.

**(c) Exercise Price of a Nonstatutory Stock Option.** The per-share exercise price of each Nonstatutory Stock Option shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock subject to the Option on the date the Option is granted.

**(d) Consideration.** The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash at the time the Option is exercised or (ii) at the discretion of the Administrator at the time of the grant of the Option (or subsequently in the case of a Nonstatutory Stock Option) (A) by delivery to the Company of other Common Stock or (B) in any other form of legal consideration that may be acceptable to the Administrator.

**(e) Transferability of an Incentive Stock Option.** An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

**(f) Transferability of a Nonstatutory Stock Option.** A Nonstatutory Stock Option shall not be transferable except by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

**(g) Vesting Generally.** The total number of shares of Common Stock subject to an Option may, but need not, vest and therefore become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Administrator may deem appropriate. The vesting provisions of individual Options may vary.

**(h) Termination of Continuous Service.** In the event an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of (i) the date thirty (30) days following the termination of the Optionholder's Continuous Service (or such longer or shorter period specified in the Option Agreement, which period shall not be less than thirty (30) days unless such termination is for cause (as such term is defined in an individual written employment agreement between the Company or any Affiliate and the Participant, and, in the absence of such an individual agreement, as determined by the Administrator), or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination of the Optionholder's Continuous Service, the Optionholder does not exercise his or her Option within the time specified in the Option Agreement, the Option shall terminate.

**(i) Disability of Optionholder.** In the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise his or her Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination), but only within such period of time ending on the earlier of (i) the date twelve (12) months following such termination of the Optionholder's Continuous Service (or such longer or shorter period specified in the Option Agreement, which period shall not be less than six (6) months) or (ii) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination of the Optionholder's Continuous Service, the Optionholder does not exercise his or her Option within the time specified herein, the Option shall terminate.

**(j) Death of Optionholder.** In the event that (i) an Optionholder's Continuous Service terminates as a result of the Optionholder's death or (ii) the Optionholder dies within the period (if any) specified in the Option Agreement after the termination of the Optionholder's Continuous Service for a reason other than death, then the Option may be exercised (to the extent the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the Option upon the Optionholder's death pursuant to Section 6(e) or 6(f), but only within the period ending on the earlier of (1) the date eighteen (18) months following the date of death (or such longer or shorter period specified in the Option Agreement, which period shall not be less than six (6) months) or (2) the expiration of the term of such Option as set forth in the Option Agreement. If, after death, the Option is not exercised within the time specified herein, the Option shall terminate.

**(k) Early Exercise.** The Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option.

## **7. PROVISIONS OF STOCK AWARDS OTHER THAN OPTIONS.**

**(a) Stock Bonus Awards.** Each stock bonus agreement shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate, consistent with the provisions of this Plan. The terms and conditions of stock bonus agreements may change from time to time, and the terms and conditions of

separate stock bonus agreements need not be identical, but each stock bonus agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

**(i) Consideration.** A stock bonus may be awarded in consideration for past services actually rendered to the Company or an Affiliate for its benefit.

**(ii) Vesting.** Shares of Common Stock awarded under the stock bonus agreement may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Administrator.

**(iii) Termination of Participant's Continuous Service.** In the event a Participant's Continuous Service terminates, the Company may reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of the Participant's Continuous Service under the terms of the stock bonus agreement.

**(iv) Transferability.** Rights to acquire shares of Common Stock under the stock bonus agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the stock bonus agreement, as the Administrator shall determine in its discretion, so long as Common Stock awarded under the stock bonus agreement remains subject to the terms of the stock bonus agreement.

**(b) Restricted Stock Awards.** Each restricted stock purchase agreement shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate, consistent with the provisions of this Plan. The terms and conditions of the restricted stock purchase agreements may change from time to time, and the terms and conditions of separate restricted stock purchase agreements need not be identical, but each restricted stock purchase agreement shall include (through incorporation of provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

**(i) Purchase Price.** The per-share purchase price, if any, under each restricted stock purchase agreement shall be such amount as the Administrator shall determine and designate in such restricted stock purchase agreement.

**(ii) Consideration.** The purchase price, if any, of Common Stock acquired pursuant to the restricted stock purchase agreement shall be paid either: (i) in cash at the time of purchase; or (ii) in any other form of legal consideration that may be acceptable to the Administrator in its discretion.

**(iii) Vesting.** Shares of Common Stock acquired under the restricted stock purchase agreement may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Administrator.

**(iv) Termination of Participant's Continuous Service.** In the event a Participant's Continuous Service terminates, the Company may repurchase or otherwise reacquire any or all of the shares of Common Stock held by the Participant which have not vested as of the date of termination of the Participant's Continuous Service under the terms of the restricted stock purchase agreement.

**(v) Transferability.** Rights to acquire shares of Common Stock under the restricted stock purchase agreement shall be transferable by the Participant only upon such terms and conditions as are set forth in the restricted stock purchase agreement, as the Administrator shall determine in its discretion, so long as Common Stock awarded under the restricted stock purchase agreement remains subject to the terms of the restricted stock purchase agreement.

## **8. COVENANTS OF THE COMPANY.**

During the terms of the Stock Awards, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Stock Awards.

## 9. USE OF PROCEEDS FROM STOCK.

Proceeds from the sale of Common Stock pursuant to Stock Awards shall constitute general funds of the Company.

## 10. MISCELLANEOUS.

**(a) Acceleration of Exercisability and Vesting.** The Administrator shall have the power to accelerate the time at which a Stock Award may first be exercised or the time during which a Stock Award or any part thereof will vest in accordance with this Plan, notwithstanding the provisions in the Stock Award stating the time at which it may first be exercised or the time during which it will vest.

**(b) Shareholder Rights.** No Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Stock Award unless and until such Participant has satisfied all requirements for exercise of the Stock Award pursuant to its terms.

**(c) No Employment or other Service Rights.** Nothing in this Plan or any instrument executed or Stock Award granted pursuant hereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or shall affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee at any time, with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

**(d) Incentive Stock Option \$100,000 Limitation.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars (\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of an Option Agreement.

**(e) Annual Limitation on Stock Awards.** No Participant shall be granted an Award or Awards in any Fiscal Year in which the combined number of Shares underlying such Award(s) exceeds 4,000,000 shares of Common Stock.

**(f) Withholding Obligations.** To the extent provided by the terms of a Stock Award Agreement, the Participant may satisfy any federal, state or local tax withholding obligation relating to the exercise or acquisition of Common Stock under a Stock Award by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Stock Award, provided, however, that no shares of Common Stock are withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid variable award accounting); or (iii) delivering to the Company Owned and unencumbered shares of Common Stock.

## 11. ADJUSTMENTS UPON CHANGES IN STOCK.

**(a) Capitalization Adjustments.** If any change is made in or other event occurs with respect to the Common Stock subject to this Plan, or subject to any Stock Award, without the receipt of consideration by the Company (through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, stock split, liquidating dividend, combination of shares, exchange of shares,

change in corporate structure or other transaction not involving the receipt of consideration by the Company) (each, a “Capitalization Adjustment”), this Plan will be appropriately adjusted in the class(es) and maximum number of securities subject to this Plan pursuant to Section 4(a), and the outstanding Stock Awards will be appropriately adjusted in the class(es) and number of securities and price per share of Common Stock subject to such outstanding Stock Awards. The Administrator shall make such adjustments, and its determination shall be final, binding and conclusive. (The conversion of any convertible securities of the Company shall not be treated as a transaction “without receipt of consideration” by the Company.)

**(b) Dissolution or Liquidation.** In the event of a dissolution or liquidation of the Company, then all outstanding Stock Awards shall terminate immediately prior to the completion of such dissolution or liquidation, and shares of Common Stock subject to the Company’s repurchase option may be repurchased by the Company notwithstanding the fact that the holder of such stock is still in Continuous Service.

**(c) Corporate Transaction.** In the event of a Corporate Transaction, any surviving corporation or acquiring corporation may assume or continue any or all Stock Awards outstanding under the Plan or may substitute similar awards for Stock Awards outstanding under this Plan (it being understood that similar awards include, but are not limited to, awards to acquire the same consideration paid to the shareholders or the Company, as the case may be, pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Stock Awards may be assigned by the Company to the successor of the Company (or such successor’s parent company), if any, in connection with such Corporate Transaction. In the event that any surviving corporation or acquiring corporation does not assume or continue any or all such outstanding Stock Awards or substitute similar options for such outstanding Stock Awards, then with respect to Stock Awards that have not been assumed, continued or substituted, the Administrator may:

(i) (A) cancel all outstanding Stock Awards, and terminate this Plan, effective as of the consummation of such transaction (the “Closing”), provided that it will notify all Participants holding outstanding Stock Awards that would otherwise be exercisable as of the Closing of the proposed Corporate Transaction a reasonable period of time prior to the Closing so that each such Participant will be given an opportunity to exercise the then exercisable portion of such Stock Awards prior to the cancellation thereof, and (B) exercise the Company’s repurchase option with respect to outstanding Stock Awards, to the extent such right has not lapsed; or

(ii) at the Administrator’s discretion, deem the vesting of all or a portion of Stock Awards that have not been assumed, continued or substituted prior to the Closing (and, if applicable, the time at which such Stock Awards may be exercised) accelerated in full (contingent upon the effectiveness of the Corporate Transaction) to a date prior to the Closing as the Administrator shall determine (or, if the Administrator shall not determine such a date, to the date that is five (5) days prior to the Closing), and any reacquisition or repurchase rights held by the Company with respect to such Stock Awards (contingent upon the effectiveness of the Corporate Transaction) shall lapse.

With respect to any other Stock Awards outstanding under this Plan that have not been assumed, continued or substituted, the vesting of such Stock Awards (and, if applicable, the time at which such Stock Award may be exercised) shall not be accelerated, unless otherwise provided in a written agreement between the Company or any Affiliate and the holder of such Stock Award, and such Stock Awards shall terminate if not exercised (if applicable) prior to the effective time of the Corporate Transaction.

**(d) Change in Control.** In the event of a Change in Control, a Stock Award held by any Participant may be subject to acceleration of vesting and exercisability upon or after such events as may be provided in the Stock Award Agreement for such Stock Award or as may be provided in any other written agreement between the Company or any Affiliate and the Participant, but in the absence of such provision, no such acceleration shall occur.

## **12. AMENDMENT OF THIS PLAN AND STOCK AWARDS.**

**(a) Amendment of Plan.** The Administrator at any time, and from time to time, may amend this Plan. However, except as provided in Section 11 relating to adjustments upon changes in Common Stock, no amendment shall be effective unless approved by the shareholders of the Company to the extent shareholder approval is necessary to satisfy the requirements of Section 422 of the Code, Rule 16b-3 under the Exchange Act or any Nasdaq or securities exchange listing requirements.

**(b) Shareholder Approval.** The Administrator may, in its sole discretion, submit any other amendment to this Plan for shareholder approval.

**(c) Contemplated Amendments.** It is expressly contemplated that the Administrator may amend this Plan in any respect the Administrator deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options and/or to bring this Plan and/or Incentive Stock Options granted under it into compliance therewith.

**(d) No Impairment of Rights.** Rights under any Stock Award granted before amendment of this Plan shall not be impaired by any amendment of this Plan unless (i) the Company requests the consent of the Participant and (ii) the Participant consents in writing.

**(e) Amendment of Stock Awards.** The Administrator at any time, and from time to time, may amend the terms of any one or more Stock Awards; provided, however, that the rights under any Stock Award shall not be impaired by any such amendment unless (i) the Company requests the consent of the Participant and (ii) the Participant consents in writing.

## **13. TERMINATION OR SUSPENSION OF THIS PLAN.**

**(a) Plan Term.** The Administrator may suspend or terminate this Plan at any time. Unless sooner terminated, this Plan shall terminate on the day before the tenth (10th) anniversary of the date this Plan is adopted by the Administrator or approved by the shareholders of the Company, whichever is earlier. No Stock Awards may be granted under this Plan while this Plan is suspended or after it is terminated.

**(b) No Impairment of Rights.** Suspension or termination of this Plan shall not impair rights and obligations under any Stock Award granted while this Plan is in effect except with the written consent of the Participant.

## **14. EFFECTIVE DATE OF PLAN.**

This Plan shall become effective as determined by the Administrator, but no Stock Award shall be exercised (or, in the case of a stock bonus, shall be granted) unless and until this Plan has been approved by the shareholders of the Company, which approval shall be within twelve (12) months before or after the date this Plan is adopted by the Administrator.

## **15. CHOICE OF LAW.**

The law of the State of California shall govern all questions concerning the construction, validity and interpretation of this Plan and any Stock Award granted hereunder, without regard to such state's conflict of laws rules.



**CHROMADEx CORPORATION**  
**REVOCABLE PROXY SOLICITED BY THE BOARD OF DIRECTORS**  
**ANNUAL MEETING OF STOCKHOLDERS**

The undersigned stockholder of ChromaDex Corporation (the "Company") hereby revokes all previously granted proxies and appoints each of Frank L. Jaksch, Jr. and Thomas C. Varvaro as their attorneys, agents and proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote as the undersigned has designated, all the shares of common stock of the undersigned at the annual meeting of stockholders of the Company (the "Annual Meeting") to be held at the offices of ChromaDex, Inc., 10005 Muirlands Boulevard, Suite G, First Floor, Irvine, CA 92618, at 9:00 a.m., local time on May 20, 2010, and at any and all postponements or adjournments thereof.

**1. Election of Directors**

**FOR ALL**                       **FOR ALL EXCEPT\*[**                      **]**                       **WITHHOLD AUTHORITY FOR ALL**

01 Frank L. Jaksch, Jr.                      02 Thomas C. Varvaro                      03 Stephen Block                      04 Reid Dabney  
05 Hugh Dunkerley                      06 Mark S. Germain                      07 Kevin M. Jaksch

NOTE: To withhold authority to vote for any individual, mark the FOR ALL EXCEPT box and enter the number next to the name(s) of the exceptions in the space provided. Unless authority to vote for all the foregoing individuals is withheld, this proxy will be deemed to confer authority to vote for every individual whose number is not so listed.

**2. Amendment to the Certificate of Incorporation to increase the number of authorized shares of common stock of the Company from 50,000,000 shares to 150,000,000 shares (the "Charter Amendment")**

**FOR**                                               **AGAINST**                                               **ABSTAIN**

**3. Amendments to the Second Amended and Restated 2007 Equity Incentive Plan to, among other revisions, increase the number of shares of the common stock reserved for issuance to 20% of the shares of common stock issued and outstanding (the "EIP Amendments")**

**FOR**                                               **AGAINST**                                               **ABSTAIN**

**4. Ratification of McGladrey & Pullen LLP As Independent Registered Public Accounting Firm**

**FOR**                                               **AGAINST**                                               **ABSTAIN**

**5. In accordance with the discretion of the proxy as to all other business as may come before the meeting. If any other matter is presented, your proxies will vote in accordance with the recommendation of the Board of Directors, or, if no recommendation is given, in their own discretion.** The Board of Directors at present knows of no other business to be presented at the Annual Meeting.

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR ALL OF THE PROPOSALS, INCLUDING THE ELECTION OF ALL OF THE DIRECTORS LISTED IN PROPOSAL 1 ABOVE, THE CHARTER AMENDMENT, THE EIP AMENDMENTS, AND THE RATIFICATION OF THE INDEPENDENT ACCOUNTING FIRM.**

**This Proxy revokes any proxy to vote such shares at the Annual Meeting heretofore given by the undersigned. Please sign and date below.**

The undersigned hereby ratifies and confirms all that said attorneys and proxies, or any of them, or their substitutes, shall lawfully do or cause to be done because of this proxy, and hereby revokes any and all proxies the undersigned has given before to vote at the meeting. The undersigned acknowledges receipt of the Notice of Annual Meeting and the Proxy Statement which accompanies the notice.

DATED: \_\_\_\_\_, 2010

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature, if held jointly)

Sign exactly as name(s) appear(s) on stock certificate(s). If stock is held jointly, each holder must sign. If signing is by attorney, executor, administrator, trustee or guardian, give full title as such. A corporation or partnership must sign by an authorized officer or general partner, respectively.

**PLEASE SIGN, DATE AND RETURN THIS PROXY IN THE ENVELOPE PROVIDED TO THE ISLAND STOCK TRANSFER, C/O ROBERT THOMPSON AT 100 SECOND AVENUE SOUTH, SUITE 705-S, ST. PETERSBURG, FL 33701.**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 20, 2010.** The proxy statement and annual report to security holders are available at <http://www.chromadex.com/ir/proxy2010.pdf>.



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

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the fiscal year ended January 2, 2010

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

Commission file number 000-53290

**CHROMADEX CORPORATION**

(Exact name of Registrant as specified in its Charter)

Delaware  
(State or other jurisdiction of incorporation)

26-2940963  
(I.R.S. Employer Identification No.)

10005 Muirlands Blvd. Suite G, Irvine, California  
(Address of Principal Executive Offices)

92618  
(Zip Code)

Registrant's telephone number, including area code (949) 419-0288

**Securities registered pursuant to Section 12(b) of the Act:**

<u>Title of each class</u>	<u>Name of Each Exchange on Which Registered</u>
N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, \$0.001 par value**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES  NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES  NO

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 "accelerated filer," "large accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

As of July 4, 2009, the aggregate market value of the common stock held by non-affiliates of the Registrant was approximately \$9,011,943.

Number of shares of common stock of the registrant outstanding as of March 31, 2010 : 28,838,216

**DOCUMENTS INCORPORATED BY REFERENCE**

Definitive Proxy Statement for the 2010 Annual Meeting of Stockholders which will be filed within 120 days of the fiscal year ended January 2, 2010.

**PART OF**

Part III of Form 10-K

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## **PART I**

### **CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS**

This Annual Report on Form 10-K (the “Form 10-K”) contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect the current view about future events. When used in this Form 10-K the words “anticipate,” “believe,” “estimate,” “expect,” “future,” “intend,” “plan” or the negative of these terms and similar expressions as they relate to us or our management identify forward looking statements. Such statements, include, but not limited to, statements contained in this Form 10-K relating to our business strategy and capital outlook. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward –looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statement of historical fact nor guarantees of assurance of future performance. We caution you therefore against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward looking statements include, a continued decline in general economic conditions nationally and internationally, decreased demand for our products and services; market acceptance of our products; the ability to protect our intellectual property rights; impact of any litigation or infringement actions brought against us; competition from other providers and products; risks in product development; inability to raise capital to fund continuing operations; changes in government regulation, the ability to complete customer transactions and capital raising transactions, and other factors (including the risks contained in the section of this report entitled “Risk Factors”) relating to our industry, our operations and results of operations and any businesses that may be acquired by us. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

#### **Item 1. Business**

##### **Company Overview**

The business of ChromaDex Corporation is conducted by our principal subsidiaries, ChromaDex, Inc. and Chromadex Analytics, Inc. ChromaDex Corporation and its subsidiaries (collectively referred to herein as “ChromaDex” or the “Company” or, in the first person as “we” “us” and “our”) supplies phytochemical reference standards and reference materials, related contract services, and products for the dietary supplement, nutraceutical, food and beverage, functional food, pharmaceutical and cosmetic markets. For the calendar years ended January 2, 2010 and January 3, 2009, ChromaDex had revenues of \$5,777,865 and \$4,506,301, respectively

ChromaDex is a leader in supplying phytochemical standards, reference materials and libraries. We believe these phytochemicals are the current gold standard for the quality control of natural products such as dietary supplements, cosmetics, food and beverages, and pharmaceuticals. In addition, we believe these standards are essential elements for future product development in all the above areas.

We believe there is a rapidly growing need both at the manufacturing and government regulatory level for reference standards, analytical methods and other quality assurance methods to ensure that the products distributed to consumers are safe and effective regardless of what is claimed on the label. This need is driven by the increased awareness at the consumer level of the lack of adequate quality controls as related to functional

food, nutraceutical or dietary supplement based products. ChromaDex has taken advantage of both the supply chain needs and regulatory requirements to build its core standards business. The Company believes it is now in a position to significantly expand its current business and capitalize on additional opportunities in product development, contract research and the exploitation and commercialization of the intellectual property that it has acquired from the development of its standards.

Our core product catalog and contract service business effectively becomes a filter for screening thousands of potential natural product candidates. By using the market information gathered by the Company's business model, followed by an investment in research and development, new natural products-related IP can be brought to the market with a much lower investment cost and an increased chance of success.

## **Company Background**

On May 21, 2008, Cody Resources, Inc., a Nevada corporation, ("Cody") entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among Cody, CDI Acquisition, Inc., a California corporation and wholly-owned subsidiary of Cody ("Acquisition Sub"), and ChromaDex, Inc. (the "Merger"). Subsequent to the signing of the Merger Agreement, Cody merged with and into a Delaware corporation for the sole purpose of changing the domicile of Cody to the State of Delaware. Subsequent to the signing of the Merger Agreement, and to changing its domicile, Cody amended its articles of incorporation to change its name to "ChromaDex Corporation."

Pursuant to the terms of the Merger Agreement, and upon satisfaction of specified conditions, including approval by ChromaDex, Inc. shareholders on June 18, 2008, Acquisition Sub merged with and into ChromaDex, Inc. and ChromaDex, Inc., as the surviving corporation, became a wholly-owned subsidiary of Cody.

Cody was incorporated on July 19, 2006 under the laws of the State of Nevada. At the time of the Merger, Cody had been an inactive shell corporation and Cody's actions as a going concern prior to the Merger are immaterial to the business of ChromaDex.

ChromaDex, Inc. was originally formed as a California corporation on February 19, 2000. On April 23, 2003, ChromaDex acquired the research and development group of natural product experienced chemists of Napro Biotherapeutics (currently Tapestry Pharmaceuticals) located in Boulder, Colorado, and placed such assets in a newly-formed, wholly-owned subsidiary of ChromaDex named Chromadex Analytics, Inc., a Nevada corporation.

## **Our Strategy**

Our business strategy is to identify, acquire, reduce-to-practice, and commercialize innovative new natural products and "green chemistry" (environmentally safe) technologies, with an initial industry focus on the dietary supplement, cosmetic, food and beverage markets, as well as novel pharmaceuticals. We plan to utilize our experienced management team to commercialize these natural product technologies by advancing them through the proper regulatory approval processes, arranging for reliable and cost-effective manufacturing, and ultimately either selling or licensing the product lines to others. We are currently seeking to privately raise additional equity capital from investors in order to execute our business strategy.

- *Commercialization of intellectual property:* Many current ChromaDex development products have the potential to spin off unique technologies that may themselves be independently capable of commercialization and become significant new revenue sources. We believe that intellectual property can also be developed from the Company's expansion into new markets.
- *Expansion and growth of the core business:* ChromaDex intends to continue to expand its phytochemical standards offerings, the core of its business. Currently, the Company has 3,500 defined standards. The Company expects to add 500 to 1,000 new standards each year.

- *Expansion of manufacturing capacity:* ChromaDex plans to expand its facilities to satisfy the growing need for customer clinical studies, new product development and early stage manufacturing.
- *Expansion into new markets:* ChromaDex is developing business in untapped domestic and international markets. These markets include both the domestic and international botanical drug market and the market for novel therapeutic botanicals and from Asia, South America and Africa. The Company also has new and innovative product offerings, such as screening compound libraries and unique value added raw materials.
- *Expansion through acquisitions:* ChromaDex is a leader in the phytochemical standards market. We believe other smaller competitors are having difficulty expanding their revenue base and are prime candidates for acquisition. We believe this long-term roll-up strategy could eventually lead to ChromaDex positioning itself as provider of choice for phytochemical standards and libraries.

### **Overview of our Products and Services**

ChromaDex is headquartered in Irvine, California, and its analytical and research laboratory facility, Chromadex Analytics, is located in Boulder, Colorado. Chromadex Analytics operates a modern, well-equipped facility with 13,000 square feet of laboratory and office space. While ChromaDex performs many of the contract services and research for our clients, Chromadex Analytics manufactures our products and provides all analytical services and laboratory division support for ChromaDex.

Since 2003, ChromaDex has invested in excess of \$2 million in laboratory equipment and ChromaDex currently has personnel possessing over 150 years of combined pharmaceutical and natural products chemistry experience.

### **Current products and services provided are:**

- *Supply of reference standards, materials & kits.* ChromaDex, through its catalog, supplies a wide range of products necessary to conduct quality control of raw materials and consumer products. Reference standard and materials and the kits created from them are used for research and quality control in the dietary supplements, cosmetics, food and beverages, and pharmaceuticals industries.
- *Supply of fine chemicals and phytochemicals.* As demand for new natural products and phytochemicals increases, ChromaDex can scale up and supply our core products in the gram to kilogram scale for companies who require these products for research and new product development.
- *Bulk Raw Food Grade Chemicals.* ChromaDex offers value-added bulk raw materials for dietary supply and food additives. This is an area where ChromaDex believes it can secure and defend its market positions through patents and long term manufacturing agreements with both the Company's customers and vendors.
- *Bioluminex™.* Bioluminex™ is a bio-analytical method that identifies the presence of toxic or harmful compounds in water, dietary ingredients, food products and food ingredients. We developed this method pursuant to a worldwide exclusive license agreement with Bayer Ag. ChromaDex intends to explore sublicensing and developing additional applications for the method before conducting a formal market launch for Bioluminex within the next two years.
- *Contract services.* ChromaDex, through Chromadex Analytics, provides a wide range of contract services ranging from routine contract analysis of dietary supplements, cosmetics, foods and other natural products to elaborate contract research for clients in these industries.
- *Consulting services.* ChromaDex provides a comprehensive range of consulting services such as regulatory support, new ingredient or product development, risk management and litigation support services.

- *Process development.* Developing cost effective and efficient processes for manufacturing natural products can be very difficult and time consuming. ChromaDex can assist customers in creating processes for cost efficient manufacturing of natural products, using “green chemistry”.

#### **Products and services in development:**

- *Process scale manufacturing.* ChromaDex intends to invest in a pilot plant facility that has the capability of manufacturing at a process scale for products that have gone to market.
- *Phytochemical libraries.* ChromaDex will continue to invest in the development of natural product based libraries by continuing to create these libraries internally as well as through product licensing.
- *Plant extracts libraries.* ChromaDex will continue to create an extensive library of plant extracts using its already extensive list of botanical reference materials.
- *Databases for cross-referencing phytochemicals.* ChromaDex is working on building a database for cross referencing phytochemicals against an extensive list of plants, including links to references to ethnopharmacological, ethnobotanical, and biological activity, as well as clinical evidence.
- *Anthocyanin.* ChromaDex is working to establish cost-effective methodologies for the efficient production of anthocyanins from genetically engineered bacteria. Anthocyanins are plant secondary metabolites that are mainly responsible for the colors in plant tissues, primarily reds, purples and blues. They are non-toxic and have been observed to possess antioxidant, anticancer and anti-inflammatory activities, thus making them attractive candidates in the pharmaceutical, dietary supplement and food colorants industries.
- *Simmondsin.* Our intellectual property for jojoba extract (simmondsin) for weight loss is a likely source of future revenue from royalty payments.
- *Intellectual property.* ChromaDex plans to utilize its expertise in natural products and “green chemistry” to license and develop new intellectual property which itself can be licensed to clients in our target industries.

In 2004, ChromaDex started receiving its first royalty payments for licensed intellectual property for the naturally-derived compound Sclareolide. Sclareolide, as developed by ChromaDex, is a novel diterpene isolated from *Salvia sclarea* (commonly known as clary sage), and was created through a partnership with Avoca.

#### **Sales and Marketing Strategy**

Our sales model for products and services is based on direct, inside technical sales. We hire technical sales staff with appropriate scientific background in chemistry, biology, biochemistry or other related scientific fields. Our sales staff currently operate from our headquarters in Irvine, California and perform their sales duties by using combinations of telemarketing and e-mail. Sales staff are required to perform both sales and customer service duties. We plan to add outside, field sales representatives in the future as needed. All sales staff are compensated based on a uniform basic pay model based on salary and commission.

#### **USA and Canada:**

We employ the use of an aggressive direct mail marketing strategy (catalogs, brochures and flyers) in combination with a range of the following marketing activities to promote and sell our products and services:

- Tradeshows and conferences
- Monthly news letters (via e-mail)
- Internet

- Website
- Advertising in trade publications
- Press releases

ChromaDex intends to continue to use an aggressive direct marketing approach to promote its products and services to all markets that the Company targets for direct sales.

**International:**

ChromaDex also uses international distributors to market and sell to several foreign countries or markets. The use of distributors in international markets has proven to be more effective than direct sales for some countries.

Currently, ChromaDex has exclusive distribution agreements in place for the following countries or regions:

- Europe (LGC Standards)
- South America (JMC)
- Korea (Dong Myung Scientific)
- India (LGC Promochem India Pvt. Ltd.)

ChromaDex also uses non-exclusive distributors for the following countries:

- Japan
- Australia and New Zealand
- China
- Indonesia, Malaysia, Singapore and Thailand
- Mexico

Non-exclusive distributors who show significant productivity are considered for becoming exclusive distributors.

**Business Market**

According to the Natural Marketing Institute, the Dietary Supplement, Functional Food and Beverage, and Natural Personal Care markets represent more than \$250 billion in sales worldwide. The quality control and assurance of some of the products in these markets are, as previously noted, largely “under regulated,” and represent the basis of one of ChromaDex’s business strategies, which is to concentrate on overall content of products, active/marker components, uniformity of production, and toxicology, as is the case in the pharmaceutical industry. There is an increasing demand for new products, ingredients and ideas for natural products. The pressure for new, innovative products, which are “natural” or “green” based, cuts across all markets including food, beverage, cosmetic and pharmaceutical.



While we believe that doctors and patients have become more receptive to the use of botanical/herbal-based and natural/dietary ingredients to prevent or treat illnesses and improve quality of life, the medical establishment has conditioned its acceptance on a significantly improved demonstration of efficacy, safety and quality control comparable to that imposed on pharmaceuticals. Nevertheless, little is currently known about the constituents, active compounds and safety of many botanical/herbal and natural ingredients, and few qualified chemists and technology based companies exist to supply the information and products necessary to meet the burgeoning market need. Natural products are complex mixtures of many compounds, with significant variability arising from growing and extraction conditions. The following developments are some that highlight the need for standards and quality assurance/control:

- The FDA published its draft guidance for Good Manufacturing Practices (“GMPs”) for dietary supplements on March 13, 2003. The final rule from this guidance was made effective June 2007, with a 36 month phase-in period for full compliance;
- The FDA published draft guidance for the approval of “Botanical Drugs” in June 2005;
- According to the Washington Post, the FDA and the FTC have recently fined six mass marketers of weight loss supplements a total of \$30 million, because they could not adequately substantiate their respective weight loss claims; and
- Regulatory agencies around the world have started to review the need for the regulation of herbal and natural supplements and are considering regulations that will include testing for the presence of toxic or adulterating compounds, drug/compound interactions and evidence that the products are biologically active for their intended use.

### **Business Model**

The Company’s business model is built around supplying reference standards products and services to its primary markets. This provides capital and brand positioning to allow ChromaDex access to its markets in a ‘trusted advisor’ capacity, through which the Company can develop botanical solutions with increased value to meet client needs.

ChromaDex creates value throughout the supply chain of pharmaceutical, dietary supplements, functional foods and personal care markets. It does this specifically by:

- Combining the analytical method and characterization of the material with the technical support for the sale of reference materials;
- Helping companies to comply with new government regulations which, in turn, helps the government to regulate these industries; and
- Providing value-added solutions to every layer of the supply chain in order to increase the overall quality of products being produced.

The Company will use the market information gathered through its core products and services business to create and license intellectual property.

### **Government Regulation**

Some of our operations are subject to regulation by various U.S. federal agencies and similar state and international agencies, including the FDA, U.S. Federal Trade Commission, U.S. Department of Commerce, the U.S. Department of Transportation, the U.S. Department of Agriculture and other comparable state and international agencies. These regulators govern a wide variety of product activities, from design and development to labeling, manufacturing, handling, sales and distribution of products. From time to time, federal, state and international legislation is enacted which may have the effect of materially increasing the cost of doing business

or limiting or expanding our permissible activities. We cannot predict whether or when potential legislation or regulations will be enacted, and if enacted, the effect that it, or any implemented regulations and supervisory policies, would have on our financial condition or results of operations. In addition, the outcome of any litigation or any investigations or enforcement actions initiated by state or federal authorities may result in necessary changes in our operations and increased compliance costs.

## **FDA Regulation**

Our primary products and services are not directly subject to regulation by the FDA. However, companies can use our products and services such as our supply of phytochemical standards, reference materials and libraries, to help themselves comply with FDA regulatory requirements. For example, the FDA's final rule on Good Manufacturing Practices (GMPs) for dietary supplements was published in June 2007 and outlines a timeline of one to three years for companies to become fully compliant, depending on the size of the company. GMPs, in part, require companies to evaluate products for identity, strength, purity and composition. ChromaDex provides tools necessary for dietary supplement companies to comply with GMPs. ChromaDex also offers an extensive range of contract services and consulting to assist companies with their compliance needs.

Our strategy to commercialize innovative new, natural products may be subject to extensive FDA regulation. Depending on the type of product, whether a dietary supplement, cosmetic, food, or pharmaceutical, the FDA, under the Food, Drug and Cosmetic Act ("FDCA"), can regulate:

- product testing;
- product labeling;
- product manufacturing and storage;
- premarket clearance or approval;
- advertising and promotion; and
- product sales and distribution.

The FDCA has been amended several times with respect to dietary supplements, in particular by the Dietary Supplement Health and Education Act of 1994, known as DSHEA. DSHEA established a new framework for governing the composition and labeling of dietary supplements. Generally, under DSHEA, dietary ingredients that were marketed in the United States before October 15, 1994 may be used in dietary supplements without notifying the FDA. However, a "new" dietary ingredient (a dietary ingredient that was not marketed in the United States before October 15, 1994) is subject to a "new dietary ingredient" ("NDI") notification that must be submitted to the FDA unless the ingredient has previously been "present in the food supply as an article used for food" without being "chemically altered." A new dietary ingredient notification must provide the FDA evidence of a "history of use or other evidence of safety" establishing that use of the dietary ingredient "will reasonably be expected to be safe." A new dietary ingredient notification must be submitted to the FDA at least 75 days before the initial marketing of the new dietary ingredient. There can be no assurance that the FDA will accept the evidence of safety for any new dietary ingredients that we may want to commercialize, and the FDA's refusal to accept such evidence could prevent the marketing of such dietary ingredients. The FDA is in the process of developing guidance for the industry to clarify the FDA's interpretation of the new dietary ingredient notification requirements, and this guidance may raise new and significant regulatory barriers for new dietary ingredients.

In order for any new ingredient developed by ChromaDex to be used in conventional food or beverage products in the United States ("US"), it would either have to be approved by the FDA as a food additive pursuant to a food additive petition ("FAP"), or be generally recognized as safe ("GRAS"). The FDA does not have to approve a company's determination that an ingredient is GRAS, however a company can notify the FDA of its determination. There can be no assurance that the FDA will approve any FAP for any ingredient that we may

want to commercialize, or agree with our determination that an ingredient is GRAS, either of which could prevent the marketing of such ingredient.

We do not expect to bear the costs associated with NDI Notifications, FAPs, or GRAS filings with the FDA, as we will generally be licensing any technology to partner companies who have an interest in the product market segment before such filings would be necessary.

### **Advertising Regulation**

In addition to FDA regulations, the Federal Trade Commission (“FTC”) regulates the advertising of dietary supplements, foods, cosmetics, and over-the-counter (“OTC”) drugs. In recent years, the FTC has instituted numerous enforcement actions against dietary supplement companies for failure to adequately substantiate claims made in advertising or for the use of false or misleading advertising claims. These enforcement actions have often resulted in consent decrees and the payment of civil penalties, restitution, or both, by the companies involved. We may be subject to regulation under various state and local laws that include provisions governing, among other things, the formulation, manufacturing, packaging, labeling, advertising and distribution of dietary supplements, foods, cosmetics and OTC drugs.

### **International**

Our international sales of dietary ingredients are subject to foreign government regulations, which vary substantially from country to country. The time required to obtain approval by a foreign country may be longer or shorter than that required for FDA approval, and the requirements may differ. In addition, the export by us of certain of our products that have not yet been cleared or approved for domestic distribution may be subject to FDA export restrictions. We may be unable to obtain on a timely basis, if at all, any foreign government or United States export approvals necessary for the marketing of our products abroad.

Regulation in Europe is primarily through the European Union, which regulates for each of its countries. Other countries, such as Switzerland, have voluntarily adopted laws and regulations that mirror those of the European Union with respect to dietary ingredients.

### **Competitive Business Conditions**

We face competition within the standardization and quality testing niche of the natural products market, though we believe that no one else offers both reference standards and testing to their customers. Below is a current list of certain competitors. These competitors already have reference standards or contract services developed or are currently taking steps to develop botanical standards or contract services. Of the competitors listed, some either currently sell fine chemicals, which by default are sometimes being used as reference standards, or are closely aligned with our market niche so as to reduce any barriers to entry if these companies wished to compete, and some currently offer similar services and have the scale and resources to compete with us for larger customer accounts. Some of our competitors are larger in total size and capitalization, have greater access to capital markets, and are in a better position than us to compete nationally and internationally.

### **Competitors**

- Sigma-Aldrich(SIAL) (USA)
- Phytolab (Germany)
- US Pharmacopoeia(USP) (USA)
- Extrasynthese (France)
- Covance(CVD) (USA)

- Eurofins(ERF) (France)
- Silliker Canada Co. (Canada)

**Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts, Including Duration**

ChromaDex currently protects its intellectual property through patents, trademarks, designs and copyrights on its products and services. The Company currently has existing patents for products such as Bioluminex, anythocyanidian production, and Jojoba extract (simmondsin) that require additional capital for product development, commercialization and marketing.

One of ChromaDex’s business strategies is to use the intellectual property harnessed in the supply of reference materials to the industry as the basis for providing new and alternative mass marketable products to its customers. The Company’s strategy is to develop these products on its own as well as to license its intellectual property to companies who will commercialize it. The net result will be a long term flow of intellectual property milestone and royalty payments for the Company.

ChromaDex has created a mechanism for harnessing ideas and turning them into finished products. For example, ChromaDex spent between one and two years researching the viability of its Jojoba concept, but lacked the ability to finalize the development and necessary patent protection. After much scrutiny, ChromaDex selected Avoca, a subsidiary of RJ Reynolds Tobacco, as the appropriate partner for completion of this project. Avoca finalized the manufacturing process for the Jojoba extract and the Company and Avoca jointly filed a patent to protect the intellectual property created by this joint venture.

The following table sets forth ChromaDex’s existing patents and those to which we have licensed rights.

<u>Patent Number</u>	<u>Title</u>	<u>Filing Date</u>	<u>Issued Date</u>	<u>Expires</u>	<u>Licensor</u>
US 6,238,928 . . .	Analytical process for testing mixtures for toxic constituents	09/02/93	05/21/01	05/25/18	Licensed from Bayer Aktiengesellschaft
6,673,563 . . . . .	Luminous bacteria and methods for the isolation, identification and quantification of toxicants	9/18/2001	1/6/2004	01/09/21	Licensed from L & J Becvar, LP(1)
6,340,572 . . . . .	Kit for the isolation, identification and quantification of toxicants	9/3/1999	1/22/2002	01/26/19	Licensed from L & J Becvar, LP(1)
6,017,722 . . . . .	Luminous bacteria and methods for the isolation, identification and quantification of toxicants	4/4/1991	1/25/2000	01/28/17	Licensed from L & J Becvar, LP(1)
6,852,342 . . . . .	Compounds for altering food intake in humans	3/26/2002	2/8/2005	02/12/22	Co-owned by Avoca, Inc. and ChromaDex
7,338,791 . . . . .	Production of Flavanoids by Recombinant Microorganisms	7/11/2005	3/4/2008	7/11/25	Licensed from The Research Foundation of State University of New York

(1) Improvements to information or discoveries covered by these patents are licensed from the Board of Regents of the University of Texas System until the full end of the term for which patent rights expire subject to the terms of the Patent License

## **Manufacturing**

Chromadex Analytics operates laboratory operations and a manufacturing facility. We currently maintain our own manufacturing equipment and have the ability to manufacture our products in limited quantities, ranging from milligrams to kilograms. For more information about Chromadex Analytics, see “Information about ChromaDex – Products and Services” under Item 1 of this Annual Report on Form 10-K. We intend to contract for the manufacturing of the products that are developed and enter into strategic relationships or license agreements for sales and marketing of products that we develop when quantities required exceed our capacity at our Boulder facility.

We intend to hire manufacturing companies that can meet the standards imposed by the FDA, the International Organization for Standardization (ISO), and the quality standards we will require through our own internal policies and procedures. We expect to monitor and manage supplier performance through a corrective action program. We believe these manufacturing relationships can minimize our capital investment, help control costs, and allow us to compete with larger volume manufacturers of phytochemicals and ingredients.

Following the receipt of products or product components from our third-party manufacturers, we currently contemplate inspecting, packaging and labeling, as needed, at our Irvine facility. We expect to reserve the right to inspect and ensure conformance of each product and product component to our specifications. We will also consider manufacturing certain products or product components internally, if we have the capacity when demand or quality requirements make it appropriate to do so.

## **Sources and Availability of Raw Materials and The Names of Principal Suppliers**

We believe we have identified reliable sources and suppliers of chemicals, phytochemicals and reference materials, which we believe will provide products in compliance with ChromaDex guidelines.

## **Research and Development**

Our research and development efforts are currently focused on developing products and services within our core product and service offerings. Our own laboratory group has extensive experience in developing products related to our field of interest and works closely with our sales and marketing group to design products and services that are intended to increase revenue. To support development, we also have a number of contracts with outside labs who aid us in our research and development process.

## **Environmental Compliance**

We will incur significant expense in complying with good manufacturing practices and safe handling and disposal of materials used in our research and manufacturing activities. We do not anticipate incurring material additional expense in order to comply with Federal, state and local environmental laws and regulations.

## **Facilities**

For information on our facilities, see “Properties” in this Item 2 of this Annual Report on Form 10-K.

## **Employees**

As of January 2, 2010, ChromaDex (including Chromadex Analytics) had 50 employees, of whom 40 were full-time and 10 were part-time employees. We consider our relationships with our employees to be satisfactory. None of our employees are covered by a collective bargaining agreement.

## **Item 1A. Risk Factors**

*Investing in our common stock involves a high degree of risk. Owners and potential investors should consider carefully the risks and uncertainties described below together with all other information contained in this Annual Report on Form 10-K before making investment decisions with respect to our common stock. If any of the following risks actually occur, our business, financial condition, results of operations and our future growth prospects would be materially and adversely affected. Under these circumstances, the trading price and value of our common stock could decline resulting in a loss of all or part of your investment. The risks and uncertainties described in this Annual Report on Form 10-K are not the only ones facing our Company. Additional risks and uncertainties of which we are not presently aware, or that we currently consider immaterial, may also affect our business operations.*

### **Risks Related to Our Business and Industry**

***The global economic recession and financial market conditions could adversely affect our ability to conduct business.***

Current global economic and financial markets conditions, including severe disruptions in the credit markets and the significant and potentially prolonged global economic recession, may materially and adversely affect our results of operations and financial condition. These conditions may materially impact our customers and other parties with whom we do business. Specifically, the impact of these volatile and negative conditions may include: decreased demand for our products and services; our decreased ability to accurately forecast future product trends and demand; and a negative impact on our ability to timely collect receivables from our customers. The foregoing economic conditions may lead to increased levels of bankruptcies, restructurings and liquidations for our customers, scaling back of research and development expenditures and delays in planned projects and shifts in business strategies for many of our customers. Such events could, in turn, negatively affect our business through loss of sales.

***Our short term future capital needs are uncertain and we may need to raise additional funds and based on the current market conditions such funds may not be available on acceptable terms or at all.***

We believe that our current cash and cash equivalents will be sufficient to implement our operating plan through June, 2011. Our capital requirements will depend on many factors, including:

- the revenues generated by sales of our products, if any;
- the costs associated with expanding our sales and marketing efforts, including efforts to hire independent agents and sales representatives and obtain required regulatory approvals and clearances;
- the expenses we incur in developing and commercializing our products, including the cost of obtaining and maintaining regulatory approvals; and
- unanticipated general and administrative expenses.

As a result of these factors, we are currently seeking to privately raise additional equity capital from investors and we may seek to raise additional funds in the short term, through public or private stock offerings, borrowings and lines of credit or other sources and such funds may not be available on favorable terms, or at all. There can be no assurance we will be successful in raising these additional funds. Furthermore, if we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution and the new equity or debt securities we issue may have rights, preferences and privileges senior to those of our existing stockholders. In addition, if we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products or proprietary technologies, or grant licenses on terms that are not favorable to us. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, obtain the required regulatory clearances or approvals, execute our business plan, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our development and commercialization goals, which could have a material and adverse effect on our business, results of operations and financial condition.



***We have a history of operating losses and we will need additional financing to meet our future long term capital requirements.***

We will require significant additional funds, either through additional equity or debt financings or collaborative agreements or from other sources to engage in research and development activities with respect to our potential new product candidates and to establish the personnel necessary to successfully implement our business strategy. We have no commitments to obtain such financing, and we may not be able to obtain any such financing on terms favorable to us, or at all. In the event we are unable to obtain additional financing, we may be unable to implement our business plan. Even with such financing, we have a history of operating losses and there can be no assurance that we will ever become profitable.

***Our ability to protect our intellectual property and proprietary technology through patents and other means is uncertain and may be inadequate, which would have a material and adverse effect on us.***

Our success depends significantly on our ability to protect our proprietary rights to the technologies used in our products. We rely on patent protection, as well as a combination of copyright, trade secret and trademark laws and nondisclosure, confidentiality and other contractual restrictions to protect our proprietary technology, including our licensed technology. However, these legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. For example, our pending United States and foreign patent applications may not issue as patents in a form that will be advantageous to us or may issue and be subsequently successfully challenged by others and invalidated. In addition, our pending patent applications include claims to material aspects of our products and procedures that are not currently protected by issued patents. Both the patent application process and the process of managing patent disputes can be time consuming and expensive. Competitors may be able to design around our patents or develop products which provide outcomes which are comparable or even superior to ours. Although we have taken steps to protect our intellectual property and proprietary technology, including entering into confidentiality agreements and intellectual property assignment agreements with some of our officers, employees, consultants and advisors, such agreements may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements. Furthermore, the laws of foreign countries may not protect our intellectual property rights to the same extent as do the laws of the United States.

In the event a competitor infringes upon our licensed or pending patent or other intellectual property rights, enforcing those rights may be costly, uncertain, difficult and time consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time consuming and could divert our management's attention. We may not have sufficient resources to enforce our intellectual property rights or to defend our patents rights against a challenge. The failure to obtain patents and/or protect our intellectual property rights could have a material and adverse effect on our business, results of operations, and financial condition.

***We may become subject to claims of infringement or misappropriation of the intellectual property rights of others, which could prohibit us from developing our products, require us to obtain licenses from third parties or to develop non-infringing alternatives, and subject us to substantial monetary damages.***

Third parties could, in the future, assert infringement or misappropriation claims against us with respect to products we develop. Whether a product infringes a patent or misappropriates other intellectual property involves complex legal and factual issues, the determination of which is often uncertain. Therefore, we cannot be certain that we have not infringed the intellectual property rights of others. Our potential competitors may assert that some aspect of our product infringes their patents. Because patent applications may take years to issue, there also may be applications now pending of which we are unaware that may later result in issued patents upon which our products could infringe. There also may be existing patents or pending patent applications of which we are unaware upon which our products may inadvertently infringe.



Any infringement or misappropriation claim could cause us to incur significant costs, place significant strain on our financial resources, divert management's attention from our business and harm our reputation. If the relevant patents in such claim were upheld as valid and enforceable and we were found to infringe, we could be prohibited from selling any product that is found to infringe unless we could obtain licenses to use the technology covered by the patent or are able to design around the patent. We may be unable to obtain such a license on terms acceptable to us, if at all, and we may not be able to redesign our products to avoid infringement. A court could also order us to pay compensatory damages for such infringement, plus prejudgment interest and could, in addition, treble the compensatory damages and award attorney fees. These damages could be substantial and could harm our reputation, business, financial condition and operating results. A court also could enter orders that temporarily, preliminarily or permanently enjoin us and our customers from making, using, or selling products, and could enter an order mandating that we undertake certain remedial activities. Depending on the nature of the relief ordered by the court, we could become liable for additional damages to third parties.

***Our patents and licenses may be subject to challenge on validity grounds, and our patent applications may be rejected.***

We rely on our patents, patent applications, licenses and other intellectual property rights to give us a competitive advantage. Whether a patent is valid, or whether a patent application should be granted, is a complex matter of science and law, and therefore we cannot be certain that, if challenged, our patents, patent applications and/or other intellectual property rights would be upheld. If one or more of those patents, patent applications, licenses and other intellectual property rights are invalidated, rejected or found unenforceable, that could reduce or eliminate any competitive advantage we might otherwise have had.

***The prosecution and enforcement of patents licensed to us by third parties are not within our control, and without these technologies, our product may not be successful and our business would be harmed if the patents were infringed or misappropriated without action by such third parties.***

We have obtained licenses from third parties for patents and patent application rights related to the products we are developing, allowing us to use intellectual property rights owned by or licensed to these third parties. We do not control the maintenance, prosecution, enforcement or strategy for many of these patents or patent application rights and as such are dependent in part on the owners of the intellectual property rights to maintain their viability. Without access to these technologies or suitable design-around or alternative technology options, our ability to conduct our business could be impaired significantly.

***We may be subject to damages resulting from claims that we, our employees, or our independent contractors have wrongfully used or disclosed alleged trade secrets of others.***

Some of our employees were previously employed at other dietary supplement, nutraceutical, food and beverage, functional food, analytical laboratories, pharmaceutical and cosmetic companies. We may also hire additional employees who are currently employed at other dietary supplement, nutraceutical, food and beverage, functional food, analytical laboratories, pharmaceutical and cosmetic companies, including our competitors. Additionally, consultants or other independent agents with which we may contract may be or have been in a contractual arrangement with one or more of our competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or independent contractors have used or disclosed any party's trade secrets or other proprietary information. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If we fail to defend such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key personnel or their work product could hamper or prevent our ability to market existing or new products, which could severely harm our business.

***Litigation may harm our business.***

Substantial, complex or extended litigation could cause us to incur significant costs and distract our management. For example, lawsuits by employees, stockholders, collaborators, distributors, customers, or competitors or others could be very costly and substantially disrupt our business. Disputes from time to time with such companies, organizations or individuals are not uncommon, and we cannot assure you that we will always be able to resolve such disputes or on terms favorable to us. Unexpected results could cause us to have financial exposure in these matters in excess of recorded reserves and insurance coverage, requiring us to provide additional reserves to address these liabilities, therefore impacting profits.

***We face significant competition, including changes in pricing.***

The markets for our products and services are both competitive and price sensitive. Many of our competitors have significant financial, operations, sales and marketing resources and experience in research and development. Competitors could develop new technologies that compete with our products and services or even render our products obsolete. If a competitor develops superior technology or cost-effective alternatives to our products and services, our business could be seriously harmed.

The markets for some of our products are also subject to specific competitive risks because these markets are highly price competitive. Our competitors have competed in the past by lowering prices on certain products. If they do so again, we may be forced to respond by lowering our prices. This would reduce sales and possibly profits. Failure to anticipate and respond to price competition may also impact sales and profits.

We believe that customers in our markets display a significant amount of loyalty to their supplier of a particular product. To the extent we are not the first to develop, offer and/or supply new products, customers may buy from our competitors or make materials themselves, causing our competitive position to suffer.

***Many of our competitors are larger and have greater financial and other resources than we do.***

Our products compete and will compete with other similar products produced by our competitors. These competitive products could be marketed by well-established, successful companies that possess greater financial, marketing, distribution, personnel and other resources than we possess. Using these resources, these companies can implement extensive advertising and promotional campaigns, both generally and in response to specific marketing efforts by competitors, and enter into new markets rapidly to introduce new products. In certain instances, competitors with greater financial resources also may be able to enter a market in direct competition with us, offering attractive marketing tools to encourage the sale of products that compete with our products or present cost features which consumers may find attractive.

***We depend on key personnel.***

We depend greatly on Frank L. Jaksch, Jr. and Thomas C. Varvaro, who are our Chief Executive Officer and Chief Financial Officer, respectively. We also depend greatly on other key employees, including key scientific personnel. In general, only highly qualified and trained scientists have the necessary skills to develop and market our products and provide our services. In addition, some of our manufacturing, quality control, safety and compliance, information technology, sales, and e-commerce related positions are highly technical as well. Also, we face intense competition for these professionals from our competitors, customers, marketing partners and other companies throughout the industries in which we compete. Our success will depend, in part, upon our ability to attract and retain additional skilled personnel, which will require substantial additional funds. There can be no assurance that we will be able to find and attract additional qualified employees or retain any such personnel. Our inability to hire qualified personnel, the loss of services of our key personnel, or the loss of services of executive officers or key employees that that may be hired in the future may have a material and adverse effect on our business.

***Partnering for technological capabilities and new products and services.***

Our ability to remain competitive may depend, in part, on our ability to continue to seek partners that can offer technological improvements and improve existing products and services that are offered to our customers. We are committed to attempting to keep pace with technological change, to stay abreast of technology changes, and to look for partners that will develop new products and services for our customer base. We cannot assure prospective investors that we will be successful in finding partners or be able to continue to incorporate new developments in technology, to improve existing products and services, or to develop successful new products and services, nor can the Company be certain that its newly-developed products and services will perform satisfactorily or be widely accepted in the marketplace or that the costs involved in these efforts will not be substantial.

***Our operating results may fluctuate significantly as a result of a variety of factors, many of which are outside of our control.***

We are subject to the following factors, among others, that may negatively affect our operating results:

- the announcement or introduction of new products by our competitors;
- our ability to upgrade and develop our systems and infrastructure to accommodate growth;
- our ability to attract and retain key personnel in a timely and cost effective manner;
- technical difficulties;
- the amount and timing of operating costs and capital expenditures relating to the expansion of our business, operations and infrastructure;
- regulation by federal, state or local governments; and
- general economic conditions as well as economic conditions specific to the healthcare industry.

As a result of our limited operating history and the nature of the markets in which we compete, it is extremely difficult for us to forecast accurately. We have based our current and future expense levels largely on our investment plans and estimates of future events although certain of our expense levels are, to a large extent, fixed. Assuming our products reach the market, we may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Accordingly, any significant shortfall in revenues relative to our planned expenditures would have an immediate adverse effect on our business, results of operations and financial condition. Further, as a strategic response to changes in the competitive environment, the Company may from time to time make certain pricing, service or marketing decisions that could have a material and adverse effect on our business, results of operations and financial condition. Due to the foregoing factors, our revenues and operating results are and will remain difficult to forecast.

***We may never develop any additional products to commercialize.***

We have invested a substantial amount of our time and resources in developing various new products. Commercialization of these products will require additional development, clinical evaluation, regulatory approval, significant marketing efforts and substantial additional investment before it can provide us with any revenue. Despite our efforts, these products may not become commercially successful products for a number of reasons, including:

- we may not be able to obtain regulatory approvals for our products, or the approved indication may be narrower than we seek;
- our products may not prove to be safe and effective in clinical trials;
- we may experience delays in our development program;
- any products that are approved may not be accepted in the marketplace;

- we may not have adequate financial or other resources to complete the development or to commence the commercialization of our products and will not have adequate financial or other resources to achieve significant commercialization of our products;
- we may not be able to manufacture any of our products in commercial quantities or at an acceptable cost;
- rapid technological change may make our products obsolete;
- we may be unable to effectively protect our intellectual property rights or we may become subject to a claim that our activities have infringed the intellectual property rights of others; and
- we may be unable to obtain or defend patent rights for our products.

***We face the risk of product liability claims or recalls and may not be able to obtain or maintain adequate product liability insurance.***

Our business exposes us to the risk of product liability claims that are inherent in the testing, manufacturing and marketing of phytochemical products. We may be subject to such claims if our products cause, or appear to have caused, an injury. Defending a lawsuit, regardless of merit, could be costly, divert management attention and result in adverse publicity, which could result in the withdrawal of, or reduced acceptance of, our product in the market.

Although we have product liability insurance that we believe is adequate, this insurance is subject to deductibles and coverage limitations and we may not be able to maintain this insurance. If we are unable to maintain product liability insurance at an acceptable cost or on acceptable terms with adequate coverage or otherwise protect ourselves against potential product liability claims, we could be exposed to significant liabilities, which may harm our business. A product liability claim or other claim with respect to uninsured liabilities or for amounts in excess of insured liabilities could result in significant costs and significant harm to our business.

***If we are unable to establish or maintain sales, marketing and distribution capabilities or enter into and maintain arrangements with third parties to sell, market and distribute our products, our business may be harmed.***

To achieve commercial success for our products, we must sell rights to our product lines at favorable prices, develop a sales and marketing force, or enter into arrangements with others to market and sell our products. In addition to being expensive, developing and maintaining such a sales force is time consuming, and could delay or limit the success of any product launch. We may not be able to develop this capacity on a timely basis or at all. Qualified direct sales personnel with experience in the phytochemical industry are in high demand, and there is no assurance that we will be able to hire or retain an effective direct sales team. Similarly, qualified independent sales representatives both within and outside the United States are in high demand, and we may not be able to build an effective network for the distribution of our product through such representatives. We have no assurance that we will be able to enter into contracts with representatives on terms acceptable to us. Furthermore, there is no assurance that we will be able to build an alternate distribution framework should we attempt to do so.

We may also need to contract with third parties in order to market our products. To the extent that we enter into arrangements with third parties to perform marketing and distribution services, our product revenue could be lower and our costs higher than if we directly marketed our products. Furthermore, to the extent that we enter into co-promotion or other marketing and sales arrangements with other companies, any revenue received will depend on the skills and efforts of others, and we do not know whether these efforts will be successful. If we are unable to establish and maintain adequate sales, marketing and distribution capabilities, independently or with others, we will not be able to generate product revenue, and may not become profitable.

***We rely on a limited number of third-party suppliers for the raw materials required for the production of our products. Furthermore, in some cases we rely on a single supplier.***

Our dependence on a limited number of third-party suppliers or on a single supplier, and the challenges we may face in obtaining adequate supplies of raw materials, involve several risks, including limited control over pricing, availability, quality, and delivery schedules. We cannot be certain that our current suppliers will continue to provide us with the quantities of these raw materials that we require or satisfy our anticipated specifications and quality requirements. Any supply interruption in limited or sole sourced raw materials could materially harm our ability to manufacture our products until a new source of supply, if any, could be identified and qualified. Although we believe there are other suppliers of these raw materials, we may be unable to find a sufficient alternative supply channel in a reasonable time or on commercially reasonable terms. Any performance failure on the part of our suppliers could delay the development and commercialization of our products, or interrupt production of then existing products that are already marketed, which would have a material adverse effect on our business.

***We rely on a limited number of third-party manufacturers to manufacture our products.***

Manufacturers often experience difficulties in scaling-up production, including problems with production yields and quality control and assurance. If our third-party manufacturers are unable to manufacture our products to keep up with demand, we will not meet expectations for growth of our business. In addition, a number of manufacturers may halt manufacturing or go out of business in the current economic turmoil which could further limit our ability to manufacture our products and grow.

***Our sales and results of operations depend on our customers' research and development efforts and their ability to obtain funding for these efforts.***

Our customers include researchers at pharmaceutical and biotechnology companies, chemical and related companies, academic institutions, government laboratories and private foundations. Fluctuations in the research and development budgets of these researchers and their organizations could have a significant effect on the demand for our products. Our customers determine their research and development budgets based on several factors, including the need to develop new products, the availability of governmental and other funding, competition and the general availability of resources. As we continue to expand our international operations, we expect research and development spending levels in markets outside of the U.S. will become increasingly important to us.

Research and development budgets fluctuate due to changes in available resources, spending priorities, general economic conditions, institutional and governmental budgetary limitations and mergers of pharmaceutical and biotechnology companies. Our business could be seriously harmed by any significant decrease in life science and high technology research and development expenditures by our customers. In particular, a small portion of our sales have been to researchers whose funding is dependent on grants from government agencies such as the U.S. National Institute of Health, the National Science Foundation, the National Cancer Institute and similar agencies or organizations. Government funding of research and development is subject to the political process, which is often unpredictable. Other programs, such as Homeland Security or defense, or general efforts to reduce the U.S. federal budget deficit could be viewed by the government as a higher priority. Any shift away from funding of life science and high technology research and development or delays surrounding the approval of governmental budget proposals may cause our customers to delay or forego purchases of our products and services, which could seriously damage our business.

Some of our customers receive funds from approved grants at a particular time of year, many times set by government budget cycles. In the past, such grants have been frozen for extended periods or have otherwise become unavailable to various institutions without advance notice. The timing of the receipt of grant funds may affect the timing of purchase decisions by our customers and, as a result, cause fluctuations in our sales and operating results.

***Demand for our products and services are subject to the commercial success of our customers' products, which may vary for reasons outside our control.***

Even if we are successful in securing utilization of our products in a customer's manufacturing process, sales of many of our products and services remain dependent on the timing and volume of the customer's production, over which we have no control. The demand for our products depends on regulatory approvals and frequently depends on the commercial success of the customer's supported product. Regulatory processes are complex, lengthy, expensive, and can often take years to complete.

***We may bear financial risk if we under-price our contracts or overrun cost estimates.***

In cases where our contracts are structured as fixed price or fee-for-service with a cap, we bear the financial risk if we initially under-price our contracts or otherwise overrun our cost estimates. Such under-pricing or significant cost overruns could have a material adverse effect on our business, results of operations, financial condition, and cash flows.

***We will need to increase the size of our organization, and we may be unable to manage rapid growth effectively.***

Our failure to manage growth effectively could have a material and adverse effect on our business, results of operations and financial condition. We anticipate that a period of significant expansion will be required to address possible acquisitions of business, products, or rights, and potential internal growth to handle licensing and research activities. This expansion will place a significant strain on management, operational and financial resources. To manage the expected growth of our operations and personnel, we must both improve our existing operational and financial systems, procedures and controls and implement new systems, procedures and controls. We must also expand our finance, administrative, and operations staff. Our current personnel, systems, procedures and controls may not adequately support future operations. Management may be unable to hire, train, retain, motivate and manage necessary personnel or to identify, manage and exploit existing and potential strategic relationships and market opportunities.

***Acquisitions.***

We plan to acquire other entities in the future and these acquisitions may be material to our business, plans and projections. We may be unable to consummate these acquisitions on favorable terms or at all. Even if we consummate one or more of these acquisitions, the integration of large numbers of new employees, technology and businesses will subject us to numerous risks.

***If we fail to maintain adequate quality standards for our products and services, our business may be adversely affected and our reputation harmed.***

Dietary supplement, nutraceutical, food and beverage, functional food, analytical laboratories, pharmaceutical and cosmetic customers are often subject to rigorous quality standards to obtain and maintain regulatory approval of their products and the manufacturing processes that generate them. A failure to maintain, or, in some instances, upgrade our quality standards to meet our customers' needs, could cause damage to our reputation and potentially substantial sales losses.

***We heavily rely on third party air cargo carriers and other package delivery services, and a significant disruption in these services or significant increases in prices may disrupt our ability to ship products or import materials, increase our costs and lower our profitability and harm our reputation.***

We emphasize our prompt service and shipment of products as a key element of our sales and marketing strategy. We ship a significant number of products to our customers through independent package delivery



companies. In addition, we transport materials between our facilities and import raw materials from worldwide sources. Consequently, we heavily rely on air cargo carriers and other third party package delivery providers. If any of our key third party providers were to experience a significant disruption such that any of our products, components or raw materials could not be delivered in a timely fashion or we would incur additional costs that we could not pass on to our customers, our costs may increase and our relationships with certain customers may be adversely affected. In addition, if these third party providers increase prices, and we are not able to find comparable alternatives or make adjustments to our selling prices, our profitability could be adversely affected.

***If we experience a significant disruption in our information technology systems or if we fail to implement new systems and software successfully, our business could be adversely affected.***

We depend on information systems throughout our Company to control our manufacturing processes, process orders, manage inventory, process and bill shipments to and collect cash from our customers, respond to customer inquiries, contribute to our overall internal control processes, maintain records of our property, plant and equipment, and record and pay amounts due vendors and other creditors. If we were to experience a prolonged disruption in our information systems that involve interactions with customers and suppliers, it could result in the loss of sales and customers and/or increased costs, which could adversely affect our business.

### **Risks Related to Regulatory Approval of Our Products and Other Government Regulations**

***We are subject to regulation by various federal, state and foreign agencies that require us to comply with a wide variety of regulations, including those regarding the manufacture of products, the distribution of our products and environmental matters.***

Some of our operations are subject to regulation by various U.S. federal agencies and similar state and international agencies, including the U.S. Department of Commerce, the FDA, the U.S. Department of Transportation, the U.S. Department of Agriculture and other comparable state and international agencies. These regulations govern a wide variety of product activities, from design and development to labeling, manufacturing, handling, sales and distribution of products. If we fail to comply with any or all of these regulations, we may be subject to fines or penalties, have to recall products and/or cease their manufacture and distribution, which would increase our costs and reduce our sales.

***We are subject to regulations that govern the handling of hazardous substances.***

We are subject to various federal, states, local and international laws and regulations that govern the handling, transportation, manufacture, use and sale of substances that are or could be classified as toxic or hazardous substances. Some risk of environmental damage is inherent in our operations and the products we manufacture, sell, or distribute. Any failure by us to comply with the applicable government regulations could also result in product recalls or impositions of fines and restrictions on our ability to carry on with or expand in a portion or possibly all of our operations. If we fail to comply with any or all of these regulations, we may be subject to fines or penalties, have to recall products and/or cease their manufacture and distribution, which would increase our costs and reduce our sales.

***Government regulations of our customer's business are extensive and are constantly changing.***

The process by which our customer's industries are regulated is controlled by government agencies and depending on the market segment can be very expensive, time-consuming, and uncertain. Changes in regulations or the enforcement practices of current regulations could have negative impact on our customers and, in turn, our business. At this time, it is unknown how the FDA will interpret and to what extent it will enforce new Good Manufacturing Practices regulations that will likely affect many of our customers. These uncertainties may have a material impact on our results of operations, as lack of enforcement or an interpretation of the regulations that lessens the burden of compliance for the dietary supplement marketplace may cause a reduced demand for ChromaDex's products and services.



***Changes in government regulation or in practices relating to the pharmaceutical, dietary supplement, food and cosmetic industry could decrease the need for the services we provide.***

Governmental agencies throughout the world, including in the United States, strictly regulate these industries. Our business involves helping pharmaceutical and biotechnology companies navigate the regulatory drug approval process. Changes in regulation, such as a relaxation in regulatory requirements or the introduction of simplified drug approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Also, if the government makes efforts to contain drug costs and pharmaceutical and biotechnology company profits from new drugs, our customers may spend less, or reduce their spending on research and development. If health insurers were to change their practices with respect to reimbursements for pharmaceutical products, our customers may spend less, or reduce their spending on research and development.

### **Risks Related to the Securities Markets and Ownership of our Common Stock**

***The concentrated common stock ownership by certain of our executive officers and directors will limit your ability to influence corporate matters.***

The directors and executive officers of ChromaDex together beneficially own approximately 34% of ChromaDex outstanding capital stock as of January 2, 2010. This group has significant influence over our management and affairs and overall matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or sale of our company or our assets, for the foreseeable future. This concentrated control will limit the ability of other stockholders to influence corporate matters and, as a result, ChromaDex may take actions that some of its stockholders do not view as beneficial. In addition, such concentrated control could discourage others from initiating changes of control. As a result, the market price of ChromaDex shares could be adversely affected.

***Since our common stock is only minimally publicly traded, and will likely remain so for some time, the price may be subject to wide fluctuations.***

During the period June 20, 2008 to January 2, 2010, there was a minimal public market for our common stock. The market price of our common stock is likely to be highly volatile and subject to wide fluctuations in response to the following factors, which are generally beyond the control of ChromaDex. These factors may include:

- the ability to develop and obtain regulatory approvals for and market products on a timely basis;
- volume, price and timing of orders for products, if ChromaDex is able to sell them;
- the introduction of new products or products enhancements by competitors;
- disputes or other developments with respect to intellectual property rights;
- products liability claims or other litigation;
- quarterly variations in ChromaDex's results of operations and those of competitors;
- sales of large blocks of our common stock, including sales by its executive officers and directors;
- changes in governmental regulations or in the status of regulatory approvals, clearances or applications;
- changes in the availability of third party reimbursement in the United States or other countries;
- changes in earnings estimates or recommendations by securities analysts; and
- general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of competitors

ChromaDex cannot predict the extent to which an active public market for its common stock will develop or be sustained at any time in the future. If ChromaDex is unable to develop or sustain a market for its common stock, investors may be unable to sell the Common Stock they own, and may lose the entire value of their investment.

***Our common stock is and likely will remain subject to the SEC's "Penny Stock" rules, which may make its shares more difficult to sell.***

Because the price of our common stock is currently and is likely to remain less than \$5.00 per share, it is expected to be classified as a "penny stock." The SEC rules regarding penny stocks may have the effect of reducing trading activity in ChromaDex shares, making it more difficult for investors to sell. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

- make a special written suitability determination for the purchaser;
- receive the purchaser's written agreement to a transaction prior to sale;
- provide the purchaser with risk disclosure documents which identify certain risks associated with investing in "penny stocks" and which describe the market for these "penny stocks" as well as a purchaser's legal remedies;
- obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has received the required risk disclosure document before a transaction in a "penny stock" can be completed; and
- give bid and offer quotations and broker and salesperson compensation information to the customer orally or in writing before or with the confirmation.

These rules make it more difficult for broker-dealers to effectuate customer transactions and trading activity in our securities and may result in a lower trading volume of our common stock and lower trading prices.

***Securities analysts may elect not to report on our common stock or may issue negative reports that adversely affect the stock price.***

At this time, no securities analysts provide research coverage of our common stock, and securities analysts may not elect not to provide such coverage in the future. It may remain difficult for a company such as ChromaDex, with a small market capitalization, to attract independent financial analysts that will cover our common stock. If securities analysts do not cover our common stock, the lack of research coverage may adversely affect its actual and potential market price. The trading market for our common stock may be affected in part by the research and reports that industry or financial analysts publish about our business. If one or more analysts elect to cover ChromaDex and then downgrade the stock, the stock price would likely decline rapidly. If one or more of these analysts cease coverage of ChromaDex, ChromaDex could lose visibility in the market, which in turn could cause its stock price to decline. This could have a negative effect on the market price of ChromaDex stock.

***ChromaDex has incurred significant costs related to reporting, legal, accounting and compliance as a public reporting entity, and expects to continue to incur significant future costs as a public reporting entity.***

As a public company, ChromaDex's management requires outside assistance from legal, accounting, investor relations, or other professionals that incur significant costs. In addition, ChromaDex may be required to incur additional costs to comply with additional SEC reporting requirements and compliance under the Sarbanes-Oxley Act of 2002. For example, Section 404 of the Sarbanes-Oxley Act of 2002 requires management to report on internal controls, and for the year ending January 1, 2011, our independent registered public accounting firm may be required to attest to the effectiveness of its internal control over financial reporting. For the fiscal periods ending on January 2, 2010 and January 3, 2009, ChromaDex has maintained an ongoing program to perform the

system and process evaluation and testing necessary to comply with these requirements. Maintaining this program requires ChromaDex to incur significant expenses and to devote resources to Section 404 compliance on an ongoing basis. ChromaDex's failure to comply with reporting requirements and other provisions of securities laws could negatively affect its stock price and adversely affect its results of operations, cash flow and financial condition.

In addition, these rules could make it more difficult or more costly to obtain certain types of insurance, including directors' and officers' liability insurance and ChromaDex may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult to attract and retain qualified persons to serve on the Board of Directors, on Board committees or as executive officers.

Operating as a small public company also requires ChromaDex to make forward-looking statements about future operating results and to provide some guidance to the public markets. The management has limited experience as a management team in a public company and as a result projections may not be made timely or set at expected performance levels and could materially affect the price of ChromaDex shares. Any failure to meet published forward-looking statements that adversely affect the stock price could result in losses to investors, stockholder lawsuits or other litigation, sanctions or restrictions issued by the SEC or the stock market upon which ChromaDex stock is traded.

***ChromaDex does not intend to pay cash dividends.***

ChromaDex has never declared or paid cash dividends on its capital stock. It currently expects to use available funds and any future earnings in the development, operation and expansion of its business and does not anticipate paying any cash dividends in the foreseeable future. In addition, the terms of any future debt or credit facility ChromaDex may obtain may preclude it from paying any dividends. As a result, capital appreciation, if any, of our common stock will be an investor's only source of potential gain from our common stock for the foreseeable future.

***Stockholders may experience significant dilution if future equity offerings are used to fund operations or acquire complementary businesses.***

If future operations or acquisitions are financed through the issuance of equity securities, stockholders could experience significant dilution. We are negotiating with private parties for the investment of additional capital. If we are successful, our stockholders will incur dilution to the extent of the investment. In addition, securities issued in connection with future financing activities or potential acquisitions may have rights and preferences senior to the rights and preferences of our common stock. The issuance of shares of our common stock upon the exercise of options may result in dilution to our stockholders.

***ChromaDex may become involved in securities class action litigation that could divert management's attention and harm its business.***

The stock market in general, and the stocks of early stage companies in particular, have experienced extreme price and volume fluctuations. These fluctuations have often been unrelated or disproportionate to the operating performance of the companies involved. If these fluctuations occur in the future, the market price of ChromaDex's shares could fall regardless of its operating performance. In the past, following periods of volatility in the market price of a particular company's securities, securities class action litigation has been brought against that company. If the market price or volume of ChromaDex's shares suffers extreme fluctuations, then it may become involved in this type of litigation which would be expensive and divert management's attention and resources from managing the business.

**Item 2. Properties**

As of January 2, 2010, ChromaDex leases approximately 13,000 square feet of office space in Irvine, California with four years remaining on the lease and laboratory manufacturing space of approximately 13,000 square feet of space in Boulder, Colorado with seven years remaining on the lease. The Company also leases an apartment with approximately 1,100 square feet in Irvine, California, and an apartment with less than 1,100 square feet in Longmont, Colorado. We do not own any real estate. For the year ended January 2, 2010, ChromaDex's total annual rental expense (excluding operating charges and real property taxes) was approximately \$509,725.

**Item 3. Legal Proceedings**

We are not involved in any legal proceedings which management believes may have a material adverse effect on our business, financial condition, operations, cash flows, or prospects.

**Item 4. [Reserved]**

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

ChromaDex common stock is currently quoted on the OTC Bulletin Board ("OTCBB") under the symbol "CDXC.OB", which is sponsored by the National Association of Securities Dealers ("NASD"). The OTCBB is a network of security dealers who buy and sell stock. The dealers are connected by a computer network that provides information on current "bids" and "asks", as well as volume information.

The following table sets forth the range of high and low bid quotations for ChromaDex common stock for each of the periods indicated as reported by the OTCBB. These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Calendar Year Ending December 31, 2009			Calendar Year Ending December 31, 2008		
Quarter Ended	High \$	Low \$	Quarter Ended	High \$	Low \$
December 31, 2009	\$0.48	\$0.21	December 31, 2008	\$1.50	\$0.16
September 30, 2009	\$0.45	\$0.10	September 30, 2008	\$4.50	\$0.85
June 30, 2009	\$0.35	\$0.11	June 30, 2008	\$3.80	\$3.00
March 31, 2009	\$0.55	\$0.10			

On March 26, 2010, the high and low bid prices were \$0.41 and \$0.37, respectively.

Prior to its merger with Cody Resources on June 20, 2008, ChromaDex stock had not been quoted in the market. Prior to the merger, Cody Resources Inc. was quoted on the OTCBB under the symbol "CDYE.OB."

### Penny Stock

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk

disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our common stock. Therefore, stockholders may have difficulty selling our securities.

### **Holders of Our Common Stock**

As of February 3, 2010, we had 196 holders of record of ChromaDex common stock

### **Dividends**

We have not declared or paid any dividends on our common stock during either of the two most recent fiscal years.

### **Item 6. Selected Financial Data**

Not Applicable.

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*You should read the following discussion and analysis of financial condition and results of operation, together with the financial statements and the related notes appearing in Item 8 of this report.*

### **Overview**

ChromaDex supplies phytochemical reference standards and reference materials, related contract services, and products for the dietary supplement, nutraceutical, food and beverage, functional food, pharmaceutical and cosmetic markets. Our business strategy is to identify, acquire, reduce-to-practice, and commercialize innovative new natural products and "green chemistry" (environmentally safe) technologies, with an initial industry focus on the dietary supplement, cosmetic, food and beverage markets, as well as novel pharmaceuticals. We plan to utilize our experienced management team to commercialize these natural product technologies by advancing them through the proper regulatory approval processes, arranging for reliable and cost-effective manufacturing, and ultimately either selling or licensing the product lines to others.

The discussion and analysis of our financial condition and results of operations are based on the ChromaDex financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires making estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues, if any, and expenses during the reporting periods. On an ongoing basis, we evaluate such estimates and judgments, including those described in greater detail below. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that our current cash, cash equivalents and cash generated from operations will be sufficient to meet our projected operating plans through June, 2011. We intend to seek additional capital prior to the end of June, 2011 both to meet our projected operating plans after June, 2011 and to fund our longer term strategic objectives. To the extent we are unable to raise additional cash or generate net income prior to June, 2011 to meet our projected operating plans, we will revise our projected operating plans accordingly. Additional capital may come from public and private stock or debt offerings, borrowings under lines of credit or other sources. These additional funds may not be available on favorable terms, or at all. Furthermore, if we issue equity or debt securities to raise additional funds, our existing stockholders may experience dilution and the new equity or debt securities we issue may have rights, preferences and privileges senior to those of our existing stockholders. In addition, if we raise additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to our products or proprietary technologies, or grant licenses on terms that are not favorable to us. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, obtain the required regulatory clearances or approvals, long term strategic objectives, take advantage of future opportunities, or respond to competitive pressures or unanticipated customer requirements. Any of these events could adversely affect our ability to achieve our development and commercialization goals, which could have a material and adverse effect on our business, results of operations and financial condition. If we are unable to establish small to medium scale production capabilities through our own plant or through a collaboration we may be unable to fulfill our customer's requirements. This may cause a loss of future revenue streams as well as require us to look for third party vendors to provide these services. These vendors may not be available, or charge fees that prevent us from pricing competitively within our markets.

The FDA is currently in the process of starting to regulate the dietary supplement market under the new Good Manufacturing Practices ("GMPs"). The GMPs call for a three year phase in period and as of June, 2009, both large and medium manufacturers are held accountable under these new regulations. In June, 2010, small manufacturers will be held accountable as well. At this time, it is unknown to what extent the FDA will enforce the regulations and how they will be interpreted upon enforcement. These uncertainties may have a material



adverse effect on the results of operations for ChromaDex as lack of enforcement or an interpretation of the regulations that lessens the burden of compliance for the dietary supplement marketplace may cause a reduced demand for ChromaDex's products and services.

The following discussion and analysis excludes the impact of Cody's financial condition and results of operations prior to the Merger because they were not material for any of the periods presented.

## Results of Operations

ChromaDex generated Net Sales of \$5,777,865 for the twelve month period ended January 2, 2010 and \$4,506,301 for the twelve month period ended January 3, 2009. ChromaDex incurred a net loss of \$907,568 for the twelve month period ended January 2, 2010 and a net loss of \$2,104,476 for the twelve month period ended January 3, 2009. This equated to a \$0.03 loss per basic and diluted share for the twelve month period ended January 2, 2010 versus a \$0.07 loss per basic and diluted share for the twelve month period ended January 3, 2009.

Over the next twelve months, assuming the sufficiency of our cash resources, we plan to continue implementing accreditation and certification programs related to quality initiatives based on customer demand. In addition, we plan to continue expanding our chemical library program and to either establish a GMP compliant pilot plant to support small to medium scale production of target compounds or partner with a company that has these capabilities through a collaboration.

	Twelve months ending		
	January 2, 2010	January 3, 2009	Change
Sales . . . . .	\$5,777,865	\$ 4,506,301	28%
Cost of sales . . . . .	3,736,435	3,274,800	14%
Gross profit . . . . .	2,041,430	1,231,501	66%
Operating expenses—Sales and marketing . . . . .	829,969	720,519	15%
—General and administrative . . . . .	2,104,193	2,574,985	-18%
Nonoperating expenses—Interest expense . . . . .	17,090	70,079	-76%
—Interest income . . . . .	(2,254)	(29,606)	-92%
Net loss . . . . .	<u>\$ (907,568)</u>	<u>\$(2,104,476)</u>	<u>-57%</u>

## Net Sales

**Net sales consist of Gross sales less returns and discounts.** Net sales increased by 28% to \$5,777,865 for the twelve month period ended January 2, 2010 as compared to \$4,506,301 for the twelve month period ended January 3, 2009. This increase was due to our additional service offerings and increased demand for each of our existing products and services.

## Cost of Sales

**Costs of Sales include raw Materials, labor, overhead, and delivery costs.** Cost of sales for the twelve month period ended January 2, 2010 was \$3,736,435 versus \$3,274,800 for the twelve month period ended January 3, 2009. As a percentage of net sales, this represented an 8% decrease for the twelve month period ended January 2, 2010 compared with the twelve month period ended January 3, 2009. This percentage decrease in cost of sales is a result of fixed labor and overhead costs that make up the majority of our expenses. These fixed expenses did not increase in proportion to sales as we were able to achieve growth in sales without an increase of certain labor and overhead costs. However, during the twelve month period ended January 2, 2010, sales of high volume products, primarily consisting of ingredients for dietary supplements and foods increased. These high volume products have significantly higher raw material costs associated with them. The Company expects to see

a significant increase in the sales of these high volume products throughout 2010. These sales will likely cause the Company to experience lower gross margins as a percentage of sales during this time period.

### **Gross Profit**

**Gross profit is net sales less the cost of sales and is affected by a number of factors including product mix, competitive pricing and costs of products and services.** Our gross profit increased 66% to \$2,041,430 for the twelve month period ended January 2, 2010 from \$1,231,501 for the twelve month period ended January 3, 2009. The increase in sales coupled with only a marginal increase in labor and overhead costs contributed to this increase in gross profit. The Company expects that as sales continue to grow, labor and overhead costs as a percentage of sales will continue to decrease as future growth in Net Sales will likely require lower direct labor and variable overhead costs.

### **Operating Expenses-Sales and Marketing**

**Sales and Marketing Expenses consist of salaries, commissions to employees and advertising and marketing.** Sales and marketing expenses for the twelve month period ended January 2, 2010 was \$829,969 as compared to \$720,519 for the twelve month period ended January 3, 2009. This increase was primarily due to increased advertising and marketing across different customer sectors, as well as wages and commissions associated with the expansion of our sales staff.

### **Operating Expenses-General and Administrative**

**General and Administrative Expenses consist of research and development, general company administration, IT, accounting and executive management.** General and Administrative Expenses for the twelve month period ended January 2, 2010, was \$2,104,193 as compared to \$2,574,985 for the twelve month period ended January 3, 2009. This decrease was primarily due to one time legal and accounting costs related to a private placement and our merger into a wholly owned subsidiary of Cody Resources, Inc. during the twelve month period ended January 3, 2009.

### **Non-operating Expenses- Interest Expense**

**Interest expense consists of interest on capital leases and notes payable.** Interest expense for the twelve month period ended January 2, 2010, was \$17,090 as compared to \$70,079 for the twelve month period ended January 3, 2009. For the twelve month period ended January 2, 2010, the interest expense occurred was primarily due to capital lease obligations as compared to interest expense for the twelve month period ended January 3, 2009 which was primarily due to the note payable issued to Bayer AG on June 18, 2008, in conjunction with ChromaDex's repurchase of ChromaDex, Inc. shares prior to our merger into a wholly owned subsidiary of Cody Resources, Inc. This note was repaid on December 19, 2008.

### **Non-operating Expenses- Interest Income**

**Interest income consists of interest earned on money market accounts.** Interest income for the twelve month period ended January 2, 2010, was \$2,254 as compared to \$29,606 for the twelve month period ended January 3, 2009. This decrease was primarily due to falling interest rates and a decrease in cash balance in our money market accounts.

### **Depreciation and Amortization**

For the twelve month period ended January 2, 2010, we recorded approximately \$270,672 in depreciation. We depreciate our assets on a straight-line basis, based on the estimated useful lives of the respective assets. We amortize intangible assets using a straight-line method over 10 years. In the twelve month period ended

January 2, 2010, we recorded amortization on intangible assets of approximately \$123,828. We test intangible assets for impairment on the last day of our fiscal year annually and based on events or changes in circumstances as they occur.

### **Liquidity and Capital Resources**

Since inception and through January 2, 2010, we have incurred aggregate losses of \$8.1 million. These losses are primarily due to overhead costs and general and administrative expenses associated with the development and expansion of our operations. These operations have been financed through capital contributions and the issuance of common stock.

The Board of Directors periodically reviews our capital requirements in light of our proposed business plan. Our future capital requirements will remain dependent upon a variety of factors, including cash flow from operations, the ability to increase sales, increasing our gross profits from current levels, reducing sales and administration expenses as a percentage of net sales, continued development of customer relationships, and our ability to market our new products successfully. However, based on our results from operations, we may determine that we need additional financing to implement our business plan, and there can be no assurance that it will be available on terms favorable to us or at all. If adequate financing is not available, we may have to delay, postpone or terminate product and service expansion and curtail general and administrative operations in order to maintain sufficient operating capital. The inability to raise additional financing may have a material adverse effect on us. We intend to seek additional capital prior to June, 2011 both to meet our projected operating plans after June, 2011 and to fund our longer term strategic objectives and are currently seeking to privately raise additional equity capital in a private transaction. To the extent we are unable to raise additional cash or generate net income prior to June, 2011 to meet our projected operating plans, we will revise our projected operating plans accordingly.

On November 29, 2009, we entered into a subscription agreement with Jinke Group (Hong Kong) Ltd (the "Investor") to purchase an aggregate of 1,916,811 shares of the Company's common stock at a purchase price of \$0.5217 per share. In connection with the execution of the subscription agreement, the Investor agreed to wire \$500,000 to the Company as consideration for receiving 958,406 shares of the Company's common stock (the "First Sale") and then wire an additional \$500,000 to the Company on or before December 20, 2009 as consideration for receiving an additional 958,405 shares of the Company's common stock (the "Second Sale"). In addition, as part of this transaction, the Investor was to receive a warrant to purchase 1,333,334 shares of the Company's common stock at an exercise price of \$.80 per share, provided, however, if the Investor did not tender consideration for the Second Sale on or before December 20, 2009, the shares of common stock subject to the warrant were to be reduced in half.

The Company has not received payment with respect to either the First Sale or the Second Sale. Although the Company has been informed by the Investor that the terms of the subscription agreement will be honored in full as quickly as possible and has been working with the Investor to ensure compliance with the subscription agreement, the Company cannot provide any assurance that it will receive payment for either the First Sale or the Second Sale.

#### *Net cash used in operating activities:*

Net cash used in operating activities for the twelve months ended January 2, 2010 was \$396,000, compared to \$1.9 million for the twelve months ended January 3, 2009. The decrease in net cash used in operating activities largely reflects a decrease in the net loss adjusted for non-cash items and an increase in cash provided by customer deposits, accounts payable, deferred rent, and prepaid expenses.

We expect that our operating cash flows may fluctuate significantly in future periods as a result of fluctuations in our operating results, shipment timetables, accounts receivable collections, inventory management, and the timing of our payments among other factors.

*Net cash used in investing activities:*

Net cash used in investing activities was \$179,000 for the twelve months ended January 2, 2010, compared to \$496,000 for the twelve months ended January 3, 2009. The decrease in cash used in investing activities mainly reflects the timing of purchases of equipment for our service business as well as the purchase of intangible assets.

*Net cash used in financing activities:*

Net cash used in financing activities was \$78,000 for the twelve months ended January 2, 2010, compared to \$3.2 million provided by for the twelve months ended January 3, 2009. The net cash provided by financing activities for the twelve months ended January 3, 2009, mainly consisted of net proceeds from a private placement, partially offset by cash used to repurchase common stock prior to the Merger.

The Company believes the capital raised during the year ended January 3, 2009 will be sufficient to implement our current business plan through June, 2011. Our future capital requirements will remain dependent upon a variety of factors, including cash flow from operations, the ability to increase sales, increasing our gross profits from current levels, reducing sales and administration expenses as a percentage of net sales, continued development of customer relationships, and our ability to market our new products successfully, however, based on the results from operations, the Company may determine that it needs additional financing to implement its business plan, and there can be no assurance that it will be available on terms favorable to us or at all. If adequate financing is not available the Company may have to delay, postpone or terminate product and service expansion and curtail general and administrative operations in order to maintain sufficient operating capital throughout 2010. The inability to raise additional financing may have a material adverse effect on the Company.

**Dividend policy**

We have not declared or paid any dividends on our common stock. We presently intend to retain earnings for use in our operations and to finance our business. Any change in our dividend policy is within the discretion of our board of directors and will depend, among other things, on our earnings, debt service and capital requirements, restrictions in financing agreements, if any, business conditions, legal restrictions and other factors that our board of directors deems relevant.

**Accounts receivable**

As of January 2, 2010 we had \$497,928 in accounts receivables as compared to \$349,052 as of January 3, 2009. This increase is due to increased sales during the fourth quarter of 2009 as compared to 2008.

**Inventories**

As of January 2, 2010 we had \$922,760 in inventory as compared to \$711,584 as of January 3, 2009. This large increase is due to a company wide effort to increase items kept in stock during 2009 along with the purchases of larger quantities of raw materials and inventory to take advantage of volume pricing.

**Accounts payable**

As of January 2, 2010 we had \$548,310 in accounts payable as compared to \$444,337 as of January 3, 2009. This increase was primarily due to the timing of payments related to our purchases of raw materials components for sale as ingredients for dietary supplements and foods.

### **Advances from Customers**

As of January 2, 2010 we had \$126,518 in advances from customers as compared to \$34,260 as of January 3, 2009. These advances are for large scale contract services and contract research projects where the company requires a deposit before beginning work. This increase was due to increased orders for the large scale projects during the last six months of 2009.

### **Due to officers**

As of January 2, 2010 and January 3, 2009, we had \$1,178,206 due to officers. These consist of deferred officer salary for the two founders and are expected to be paid out as and when the Company has sufficient cash reserves.

### **Off-Balance Sheet Arrangements**

During the Fiscal Years ended January 2, 2010 and January 3, 2009, the Company had no off-balance sheet arrangements other than ordinary operating as disclosed in the accompanying financial statements.

### **Critical Accounting Policies**

The discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. On an ongoing basis, we evaluate these estimates, including those related to the valuation of share-based payments. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that of our significant accounting policies, which are described in Note 1 to our financial statements appearing elsewhere in this report, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

#### *Revenue recognition:*

The Company recognizes sales and the related cost of goods sold at the time the merchandise is shipped to customers or service is performed, when each of the following conditions have been met: an arrangement exists, delivery has occurred, there is a fixed price, and collectability is reasonably assured.

#### *Intangible Assets:*

Intangible assets include licensing rights and are accounted for based on the fair value of consideration given or the fair value of the net assets acquired, whichever is more reliable. Intangible assets with finite useful lives are amortized using the straight-line method over a period of 10 years, or, for licensed patent rights, the remaining term of the patents underlying licensing rights (considered to be the remaining useful life of the license).

Long-lived assets are reviewed for impairment on a periodic basis and when changes in circumstances indicate the possibility that the carrying amount may not be recoverable. Long-lived assets are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. If the

forecast of undiscounted future cash flows is less than the carrying amount of the assets, an impairment charge would be recognized to reduce the carrying value of the assets to fair value. If a possible impairment is identified, the asset group's fair value is measured relying primarily on a discounted cash flow methodology.

*Research and development costs:*

Research and development costs consist of direct and indirect costs associated with the development of the Company's technologies. These costs are expensed as incurred.

*New accounting pronouncements:*

For a discussion of recently issued accounting pronouncements, refer to Note 1 appearing in "Item 8 Financial Statements and Supplementary Data" of this report.

## **Item 8. Financial Statements and Supplementary Data**

### **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders  
ChromaDex Corporation

We have audited the consolidated balance sheets of ChromaDex Corporation and Subsidiaries as of January 2, 2010 and January 3, 2009, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ChromaDex Corporation and Subsidiaries as of January 2, 2010 and January 3, 2009, and the results of their operations and their cash flows for each of the years then ended, in conformity with U.S. generally accepted accounting principles.

We were not engaged to examine management's assessment of the effectiveness of ChromaDex Corporation and Subsidiaries' internal control over financial reporting as of January 2, 2010, included in Item 9A(T) – Controls and Procedures and, accordingly, we do not express an opinion thereon.

/s/ McGladrey & Pullen, LLP

Schaumburg, Illinois  
March 31, 2010



**ChromaDex Corporation and Subsidiaries**

**Consolidated Balance Sheets  
January 2, 2010 and January 3, 2009**

	2009	2008
<b>Assets</b>		
<b>Current Assets</b>		
Cash .....	\$ 471,378	\$ 1,125,504
Trade receivables, less allowance for doubtful accounts 2009 \$16,000; 2008 \$11,000 .....	497,928	349,052
Inventories .....	922,760	711,584
Prepaid expenses and other assets .....	115,794	112,609
<b>Total current assets</b> .....	<b>2,007,860</b>	2,298,749
Leasehold Improvements and Equipment, net .....	<b>1,203,431</b>	1,294,062
<b>Deposits and Other Noncurrent Assets</b>		
Deposits .....	32,227	44,981
Intangible assets, less accumulated amortization 2009 \$916,785; 2008 \$792,957 .....	321,490	445,318
	<b>353,717</b>	490,299
	<b>\$ 3,565,008</b>	\$ 4,083,110
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable .....	\$ 548,310	\$ 444,337
Accrued expenses .....	270,250	338,056
Current maturities of capital lease obligations .....	28,430	78,472
Due to officers .....	1,178,206	1,178,206
Customer deposits and other .....	126,518	34,260
<b>Total current liabilities</b> .....	<b>2,151,714</b>	2,073,331
Capital lease obligations, less current maturities .....	<b>45,868</b>	74,293
Deferred rent .....	<b>319,973</b>	186,323
<b>Stockholders' Equity</b>		
Common stock, \$.001 par value; authorized 50,000,000 shares; issued and outstanding 2009 and 2008 28,838,216 shares .....	28,838	28,838
Additional paid-in capital .....	9,126,141	8,920,283
Accumulated deficit .....	(8,107,526)	(7,199,958)
	<b>1,047,453</b>	1,749,163
	<b>\$ 3,565,008</b>	\$ 4,083,110

See Notes to Consolidated Financial Statements.

**ChromaDex Corporation and Subsidiaries**  
**Consolidated Statements of Operations**  
**Years Ended January 2, 2010 and January 3, 2009**

	<u>2009</u>	<u>2008</u>
Sales .....	\$ 5,777,865	\$ 4,506,301
Cost of sales .....	<u>3,736,435</u>	<u>3,274,800</u>
<b>Gross profit</b> .....	<b><u>2,041,430</u></b>	<b><u>1,231,501</u></b>
Operating expenses:		
Sales and marketing .....	<b>829,969</b>	720,519
General and administrative .....	<b><u>2,104,193</u></b>	<u>2,574,985</u>
	<b><u>2,934,162</u></b>	<u>3,295,504</u>
<b>Operating loss</b> .....	<b><u>(892,732)</u></b>	<b><u>(2,064,003)</u></b>
Nonoperating (income) expenses:		
Interest expense .....	<b>17,090</b>	70,079
Interest income .....	<b><u>(2,254)</u></b>	<u>(29,606)</u>
	<b><u>14,836</u></b>	<u>40,473</u>
<b>Net loss</b> .....	<b><u>\$ (907,568)</u></b>	<b><u>\$ (2,104,476)</u></b>
Basic and Diluted loss per common share .....	<b><u>\$ (0.03)</u></b>	<b><u>\$ (0.07)</u></b>
Basic and Diluted average common shares outstanding .....	<b><u><u>28,838,216</u></u></b>	<b><u><u>28,312,934</u></u></b>

See Notes to Consolidated Financial Statements.

**ChromaDex Corporation and Subsidiaries**  
**Statement of Stockholders' Equity**  
**Years Ended January 2, 2010 and January 3, 2009**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 29, 2007 . . . . .	26,540,809	26,541	5,465,256	(5,095,482)	396,315
Issuance of common stock, net of offering costs of \$458,827 . . . . .	3,512,202	3,512	4,284,243	—	4,287,755
Exercise of stock options . . . . .	8,000	8	7,992	—	8,000
Share-based compensation . . . . .	—	—	121,185	—	121,185
Repurchase and cancellation of Bayer Shares . . . . .	(1,222,795)	(1,223)	(958,394)	—	(959,617)
Net loss . . . . .	—	—	—	(2,104,476)	(2,104,476)
Balance, January 3, 2009 . . . . .	28,838,216	28,838	8,920,283	(7,199,958)	1,749,163
Share-based compensation . . . . .	—	—	205,858	—	205,858
Net loss . . . . .	—	—	—	(907,568)	(907,568)
<b>Balance, January 2, 2010 . . . . .</b>	<b><u>28,838,216</u></b>	<b><u>28,838</u></b>	<b><u>9,126,141</u></b>	<b><u>(8,107,526)</u></b>	<b><u>1,047,453</u></b>

See Notes to Consolidated Financial Statements.

**ChromaDex Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended January 2, 2010 and January 3, 2009**

	<b>2009</b>	<b>2008</b>
<b>Cash Flows from Operating Activities</b>		
Net loss . . . . .	<b>\$ (907,568)</b>	\$(2,104,476)
Adjustments to reconcile net loss to net cash (used in) operating activities:		
Depreciation . . . . .	<b>270,672</b>	256,293
Amortization of intangibles . . . . .	<b>123,828</b>	119,987
Stock issued for services provided . . . . .	—	22,669
Share-based compensation expense . . . . .	<b>205,858</b>	121,185
Due to officers . . . . .	—	10,384
Other . . . . .	<b>(554)</b>	—
Changes in operating assets and liabilities:		
Trade receivables . . . . .	<b>(148,876)</b>	26,181
Inventories . . . . .	<b>(211,176)</b>	(213,949)
Prepaid expenses and other assets . . . . .	<b>9,569</b>	(33,350)
Accounts payable . . . . .	<b>103,973</b>	(56,201)
Accrued expenses . . . . .	<b>(67,806)</b>	(13,869)
Customer deposits and other . . . . .	<b>92,258</b>	(83,709)
Deferred rent . . . . .	<b>133,650</b>	27,484
<b>Net cash (used in) operating activities</b> . . . . .	<b>(396,172)</b>	<b>(1,921,371)</b>
<b>Cash Flows From Investing Activities</b>		
Purchases of leasehold improvements and equipment . . . . .	<b>(184,487)</b>	(417,532)
Purchase of intangible assets . . . . .	—	(78,275)
Other . . . . .	<b>5,000</b>	—
<b>Net cash (used in) investing activities</b> . . . . .	<b>(179,487)</b>	<b>(495,807)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of common stock . . . . .	—	4,265,086
Proceeds from exercise of options . . . . .	—	8,000
Repurchase of common stock . . . . .	—	(959,617)
Principal payments on capital leases . . . . .	<b>(78,467)</b>	(74,572)
<b>Net cash (used in) provided by financing activities</b> . . . . .	<b>(78,467)</b>	<b>3,238,897</b>
Net (decrease) increase in cash . . . . .	<b>(654,126)</b>	821,719
<b>Cash:</b>		
Beginning . . . . .	<b>1,125,504</b>	303,785
Ending . . . . .	<b>\$ 471,378</b>	<b>\$ 1,125,504</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash payments for interest . . . . .	<b>\$ 17,090</b>	\$ 70,079
Stock Issued for Services Provided . . . . .	<b>\$ —</b>	\$ 22,669

See Notes to Consolidated Financial Statements.

**Note 1. Nature of Business and Significant Accounting Policies**

*Nature of business:* ChromaDex Corporation and its wholly owned subsidiaries, ChromaDex, Inc. and Chromadex Analytics, Inc. (collectively the Company) create and supply botanical reference standards along with related phytochemical products and services. The Company's main priority is to create industry-accepted information, and to provide products and services to every layer of the functional food, pharmaceutical, personal care and dietary supplement markets. The Company provides these services at various terms with terms of net 30 days the most common.

Significant accounting policies are as follows:

*Principles of consolidation:* The consolidated financial statements include the accounts of ChromaDex Corporation and its wholly owned subsidiaries, ChromaDex, Inc. and Chromadex Analytics, Inc. Intercompany transactions and balances have been eliminated in consolidation.

*Accounting estimates:* The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

*Revenue recognition:* The Company recognizes sales and the related cost of goods sold at the time the merchandise is shipped to customers or service is performed, when each of the following conditions have been met: an arrangement exists, delivery has occurred, there is a fixed price, and collectability is reasonably assured.

*Accounting Treatment of the Merger; Financial Statement Presentation:* On June 20, 2008, ChromaDex, Inc. merged (the "Merger") into a wholly owned subsidiary of Cody Resources, Inc. ("Cody"). The Merger was accounted for as a reverse merger under generally accepted accounting principles. Therefore: (1) Cody's historical accumulated deficit for periods prior to June 20, 2008, in the amount of \$40,081, was eliminated against additional-paid-in-capital, and (2) the consolidated financial statements present the previously issued shares of common stock of Cody as having been issued pursuant to the Merger on June 20, 2008 and the shares of common stock of the Company issued to the former ChromaDex, Inc. stockholders in the Merger as having been outstanding since February, 2000, (the month when ChromaDex, Inc. first issued equity securities). No goodwill or other intangible asset was recorded as a result of the Merger.

*Change in fiscal year ending:* On June 20, 2008, in conjunction with the Merger, the Company changed its fiscal year end from November 30 to the Saturday closest to December 31. Since the capital transaction was accounted for as a reverse merger, the Company's historical financial statements presented prior to the Merger are the historical financial statements of accounting acquirer, ChromaDex, Inc., whose fiscal year end was the Saturday closest to December 31. The fiscal years ended January 2, 2010 (referred to as 2009), which consisted of 52 weeks, and January 3, 2009 (referred to as 2008), which consisted of 53 weeks.

*Cash concentration:* The Company maintains substantially all of its cash in one bank account.

*Trade accounts receivable:* Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a periodic review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade accounts receivable are written off when deemed uncollectible. Recoveries of trade accounts receivable previously written off are recorded when received.

*Inventories:* Inventories are comprised of finished goods and are stated at the lower of cost, determined by the first-in, first-out method (FIFO) method, or market. The inventory on the balance sheet is recorded net of valuation allowances of \$172,000 and \$240,000 for the periods ended January 2, 2010 and January 3, 2009 respectively. Labor and overhead has been added to inventory that was manufactured or characterized by the Company.

*Intangible assets:* Intangible assets consist of licensing costs and are amortized on the straight-line method over the contract life of 10 years.

*Leasehold improvements and equipment:* Leasehold improvements and equipment are carried at cost and depreciated on the straight-line method over the lesser of the estimated useful life of each asset or lease term. Leasehold improvements and equipment are comprised of laboratory equipment, furniture and fixtures, and computer equipment. Useful lives range from 3 to 10 years. Depreciation on equipment under capital lease is included with depreciation on owned assets.

*Customer deposits:* Customer deposits represent cash received from customers in advance of product shipment or delivery of services.

*Income taxes:* Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company has not recorded a reserve for any tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company files tax returns in all appropriate jurisdictions, which include a federal tax return, California state tax return, Colorado state tax return, and Arizona state tax return. Open tax years for these jurisdictions are 2006 to 2008, which statutes expire in 2010 to 2012, respectively. When and if applicable, potential interest and penalty costs are accrued as incurred, with expenses recognized in general and administrative expenses in the statements of operations. As of January 2, 2010, the Company has no liability for unrecognized tax benefits.

*Share based compensation:* The Company has two stock option plans under which the Board of Directors may grant stock options to employees. The Company accounts for the plans under the recognition and measurement provisions of Accounting Standards Codification (ASC) Topic 718 *Compensation – Stock Compensation*. The standard requires entities to measure the cost of employee services received in exchange for stock options based on the grant-date fair value of the award, and to recognize the cost over the period the employee is required to provide services for the award.

The Company recognizes compensation expense under Topic 718 over the requisite service period using the straight-line method. Compensation expense for options with performance conditions is recognized only for those options expected to vest.

*Financial instruments:* The Company follows the provisions of ASC 820-10, *Fair Value Measurements* which defines fair values, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The Company's financial instruments include accounts receivable, accounts payable and capital leases. The fair values of all financial instruments were not materially different from their carrying values.

*New accounting pronouncements:* In June 2009, the Financial Accounting Standards Board (“FASB”) issued the FASB Accounting Standards Codification (the “ASC”). The ASC has become the single source of non-governmental accounting principles generally accepted in the United States (“GAAP”) recognized by the FASB in the preparation of financial statements. The ASC does not supersede the rules or regulations of the Securities and Exchange Commission (“SEC”), therefore, the rules and interpretive releases of the SEC continue to be additional sources of GAAP for the Company. The Company adopted the ASC as of July 5, 2009. The ASC does not change GAAP and did not have an effect on the Company’s financial position, results of operations or cash flows.

On January 4, 2009, the Company adopted a provision of Topic ASC 350 *Goodwill and Others* issued by the FASB related to accounting for defensive intangible assets. ASC 350-30-25 provides guidance on the treatment of acquired intangible assets in situations in which an entity does not intend to actively use the asset but intends to hold (lock up) the asset to prevent others from obtaining access to the asset (a defensive intangible asset), except for intangible assets that are used in research and development activities. The adoption of this standard did not have an effect on the Company's financial position, results of operations or cash flows.

On January 4, 2009, the Company adopted a provision of Topic ASC 815-40 *Derivatives and Hedging* issued by the FASB that establishes guidance for determining whether an instrument (or embedded feature) is indexed to the entity's own stock. ASC 815-40 provides a two step approach for determining whether an equity-linked financial instrument (or an embedded feature) is indexed to an entity's own stock. The adoption of this standard did not have an effect on the Company's financial position, results of operations or cash flows.

On January 4, 2009, the Company adopted a new accounting standard issued by the FASB that establishes guidance for the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset. The adoption of this standard did not have an effect on the Company's financial position, results of operations or cash flows.

In September 2006, the FASB issued a new accounting standard which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This standard was effective for fiscal years beginning after November 15, 2007 for financial assets and liabilities, as well as for any other assets and liabilities that are carried at fair value on a recurring basis in the financial statements. In November 2007, the FASB provided a one year deferral for the implementation of this standard for other nonfinancial assets and liabilities. The Company adopted this standard for financial assets and liabilities effective December 30, 2007 and for non-financial assets and liabilities effective January 4, 2009. The adoption of this standard did not have an effect on the Company's financial position, results of operations or cash flows for either period.

*Reclassifications:* Certain prior year balances have been reclassified to conform to the 2009 presentation.

## **Note 2. Earnings Per Share**

Potentially dilutive common shares consist of the incremental common shares issuable upon the exercise of common stock options and warrants for all periods. For all periods ended January 2, 2010 and January 3, 2009, the basic and diluted shares reported are equal because the common share equivalents are anti-dilutive due to the Company's net losses. Below is a tabulation of the potentially dilutive securities for the periods ended January 2, 2010 and January 3, 2009.

	<u>Years Ended</u>	
	<u>2009</u>	<u>2008</u>
Basic average common shares outstanding . . . . .	<b>28,838,216</b>	28,312,934
Warrants and options in the money, net . . . . .	<u>—</u>	<u>246,813</u>
Weighted average common shares outstanding assuming dilution . . . . .	<b><u>28,838,216</u></b>	<u>28,559,747</u>



**Note 3. Intangible Assets**

Intangible assets consisted of the following:

	2009		2008	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:				
License agreements . . . . .	\$1,238,275	\$916,785	\$1,238,275	\$792,957

Amortization expense on amortizable intangible assets included in the consolidated statement of operations for the year ended January 2, 2010 and January 3, 2009 was \$123,828 and \$119,987, respectively.

Estimated aggregate amortization expense for each of the next five years is as follows:

Years ending December:		
2010 . . . . .		71,328
2011 . . . . .		65,858
2012 . . . . .		43,828
2013 . . . . .		43,828
2014 . . . . .		43,828
Thereafter . . . . .		52,820
		\$321,490

**Note 4. Leasehold Improvements and Equipment**

Leasehold improvements and equipment consisted of the following:

	2009	2008
Laboratory equipment . . . . .	\$2,063,860	\$2,055,101
Leasehold improvements . . . . .	332,702	140,022
Computer equipment . . . . .	208,499	205,933
Furniture and fixtures . . . . .	15,308	15,308
Office equipment . . . . .	3,445	3,445
Construction in progress . . . . .	86,031	111,465
	2,709,845	2,531,274
Less accumulated depreciation . . . . .	1,506,414	1,237,212
	\$1,203,431	\$1,294,062

**Note 5. Capitalized Lease Obligations**

The Company leases equipment under capitalized lease obligations with a total cost of \$127,920 and \$325,467 and accumulated amortization of \$34,866 and \$138,137 as of January 2, 2010 and January 3, 2009, respectively.

Minimum future lease payments under capital leases as of January 2, 2010, are as follows:

Year ending December:	
2010 .....	\$38,519
2011 .....	38,519
2012 .....	<u>13,292</u>
Total minimum lease payments .....	90,330
Less amount representing interest .....	<u>16,032</u>
Present value of net minimum lease payments .....	74,298
Less current portion .....	<u>28,430</u>
Long-term obligations under capital leases .....	<u>\$45,868</u>

Interest expense related to capital leases was \$17,090 and \$27,005 for the years ended January 2, 2010 and January 3, 2009, respectively.

**Note 6. Accrued Expenses**

Accrued expenses consisted of:

	<u>2009</u>	<u>2008</u>
Salaries and vacation .....	\$128,156	\$122,711
Professional services .....	77,155	156,624
Other .....	<u>64,939</u>	<u>58,721</u>
	<u>\$270,250</u>	<u>\$338,056</u>

**Note 7. Income Taxes**

A reconciliation of income tax expense (benefit) computed at the statutory federal income tax rate of 34% for 2009 and 2008 compared to the Company's income tax expense for the years ended January 2, 2010 and January 3, 2009 is as follows:

	<u>2009</u>	<u>2008</u>
Income tax expense (benefit) at statutory rate .....	\$(308,000)	\$(716,000)
(Increase) decrease resulting from:		
State income taxes, net of federal tax effect .....	(49,000)	(111,000)
Nondeductible expenses .....	24,000	15,000
Change in valuation allowance .....	369,000	812,000
Other .....	<u>(36,000)</u>	<u>—</u>
	<u>\$ —</u>	<u>\$ —</u>

The deferred income tax assets and liabilities consisted of the following components as of January 2, 2010 and January 3, 2009:

	<u>2009</u>	<u>2008</u>
Deferred tax assets:		
Net operating loss carryforward . . . . .	\$2,413,000	\$2,096,000
Inventory reserve . . . . .	68,000	94,000
Allowance for doubtful accounts . . . . .	6,000	11,000
Accrued expenses . . . . .	490,000	485,000
Intangibles . . . . .	71,000	73,000
Deferred rent . . . . .	38,000	—
	<u>3,086,000</u>	<u>2,759,000</u>
Less valuation allowance . . . . .	<u>2,970,000</u>	<u>2,601,000</u>
	<u>116,000</u>	<u>158,000</u>
Deferred tax liabilities:		
Property and equipment . . . . .	(100,000)	(134,000)
Prepaid expenses . . . . .	(16,000)	(24,000)
	<u>(116,000)</u>	<u>(158,000)</u>
	<u>\$ —</u>	<u>\$ —</u>

The Company has tax net operating loss carryforwards available to offset future federal taxable income and future state taxable income of approximately \$5,620,000 and \$5,090,000, respectively which expire through December 31, 2025 and 2026, respectively.

**Note 8. Share-based Compensation and Warrants**

*Stock option plan:* At the discretion of management and with approval of the Board of Directors, the Company may grant options to purchase the Company’s common stock to certain individuals from time to time. Management and the Board of Directors determine the exercise price, vesting periods and expiration dates at the time of grant. Expiration dates are not to exceed 10 years. The Company under its 2007 option plan is authorized to issue stock options that total no more than 4,000,000 shares or 10% of the outstanding amount whichever is greater and was authorized to issue stock options that totaled no more than 2,198,490 under its 2000 option plan. Beginning in 2007, options were no longer issuable under the 2000 option plan. The remaining amount available for issuance under the 2007 option plan totaled 982,712 at January 2, 2010. The option awards generally vest ratably over a five-year period following grant date after a passage of time.

The Company recognized share-based compensation expense of \$205,858 and \$121,185 in general and administrative expenses in the statement of operations for the years ended January 2, 2010 and January 3, 2009.

The fair value of the Company’s stock options was estimated at the date of grant using the Black-Scholes based option valuation model. The table below outlines the weighted average assumptions for options granted during the years ended January 2, 2010 and January 3, 2009.

<u>Year Ended December</u>	<u>2009</u>	<u>2008</u>
Volatility . . . . .	29.97%	26.75%
Expected dividends . . . . .	0.00%	0.00%
Expected term . . . . .	6.0 years	6.1 years
Risk-free rate . . . . .	2.27%	3.12%

The Company calculated expected volatility from the volatility of publicly held companies in similar industries, as the Company's historical volatility of the Company's common stock does not cover the period equal to the expected life of the options. The dividend yield assumption is based on the Company's history and expectation on future dividend payouts on the common stock. The risk-free interest rate is based on the implied yield available on U.S. treasury zero-coupon issues with an equivalent remaining term. The Company used the simplified method for estimating the expected term of the options. The expected term of the options represents the estimated period of time until exercise and is based on historical experience of awards, giving consideration to the contractual terms, vesting schedules and expectations of future employee behavior.

The following table summarizes options activity at January 2, 2010 and changes during the year then ended:

		<u>Weighted Average</u>		
	<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at January 3, 2009 .....	3,324,307	\$1.35		
Options Granted .....	929,301	0.87		
Options Exercised .....	—	—		
Options Forfeited .....	(113,182)	1.24		
Outstanding at January 2, 2010 .....	<u>4,140,426</u>	<u>\$1.25</u>	<u>7.57</u>	<u>—</u>
Exercisable at January 2, 2010 .....	<u>1,929,948</u>	<u>\$1.24</u>	<u>6.51</u>	<u>—</u>

As of January 2, 2010, the aggregate intrinsic value of outstanding options was \$0, as the exercise prices for all outstanding options were higher than the Company's closing stock price of \$0.44. No options were exercised during the year ended January 2, 2010. There were 8,000 options exercised during the year ended January 3, 2009, with an intrinsic value of \$400.

As of January 2, 2010, there was \$473,122 of total unrecognized compensation expense related to nonvested share based compensation arrangements granted under the plans. That cost is expected to be recognized over a weighted average period of 2.60 years as of January 2, 2010. The weighted average fair value of options granted during the years ended January 2, 2010, and January 3, 2009 was \$.12, and \$.38 respectively. The realized tax benefit from stock options for the years ended January 2, 2010, and January 3, 2009 was \$0, based on the Company's election of the "with and without" approach. The fair value of the options that vested during the years ended January 2, 2010 and January 3, 2009 was \$329,002 and \$11,724, respectively.

*Warrants:* During the fiscal year ended at January 3, 2009, the Company granted warrants as a part of private placement equity offering using New Castle Financial Services, Inc. From March 7, 2008 to July 29, 2008, the company granted 1,718,350 warrants to investors to purchase the Company common stock at \$3.00 per share. The Company has the right to call these warrants at \$4.50 per share.

In addition, the Company also granted warrants to the placement agent, New Castle Financial Services, Inc. in exchange for part of their services as a placement agent during the fiscal year ended at January 3, 2009. On August 7, 2008, the Company granted 336,390 warrants to New Castle Financial Services, Inc. to purchase the Company common stock at \$1.36 per share.

The fair value of these warrants was estimated at the date of grant using the Black-Scholes based option valuation model. The warrants were valued at \$1,224,575 and recorded by the Company in additional paid-in capital. The table below outlines the weighted average assumptions for warrants granted during the fiscal year ended January 3, 2009.

<u>Summary of Significant Assumptions</u>	<u>January 3, 2009</u>
Expected Term . . . . .	5.00
Expected Volatility . . . . .	22.02%
Expected Dividends . . . . .	0.00%
Risk Free Rate of Return . . . . .	2.84%

The expected volatility is based on an average of comparable public companies.

At January 2, 2010, the following warrants were outstanding and exercisable:

<u>Warrants granted in connection with:</u>	<u>Weighted Average Exercise Prices</u>	<u>Number Outstanding And Exercisable At January 2, 2010</u>	<u>Weighted Average Remaining Life</u>
Placement Agent (New Castle) . . . . .	\$1.36	336,390	3.59
Private Placement Equity Offering . .	<u>\$3.00</u>	<u>1,718,350</u>	<u>3.30</u>
	<u>\$2.73</u>	<u>2,054,740</u>	<u>3.35</u>

**Note 9. Stock Issuances and Redemptions**

During the year ended January 3, 2009, the Company received net capital contributions from third party investors through a private placement offering of \$4,215,086 in exchange for issuing 3,436,700 shares of common stock. The private placement equity offering, using New Castle Financial Services, Inc. as the placement agent for a significant portion of the offering, has been concluded. The total offering was for 3,436,700 shares at \$1.36 per share for a net total of \$4,215,086 with \$4,116,085 attributable to investors from New Castle. Investors who purchased these shares received one warrant to purchase an additional share of the Company common stock at \$3.00 for every two shares of Company common stock they purchased. The Company has the right to call these warrants at \$4.50 per share. The total number of warrants issued under this private placement was 1,718,350. New Castle Financial Services, Inc., in exchange for their services as a placement agent received 10% of the cash proceeds from investors who invested in the offering through New Castle and also received a warrant to purchase one share at \$1.36 for every ten shares subscribed under the offering through New Castle. This warrant was issued to New Castle upon the completion of their services in conjunction with the private placement.

Additionally, during the year ended January 3, 2009, the Company sold 50,000 shares for \$50,000 to one of its stockholders. The Company also issued 25,502 shares in exchange for outstanding legal billings of \$22,669 incurred in prior years.

On June 18, 2008, prior to the Merger, ChromaDex, Inc. repurchased 1,222,795 shares from Bayer AG. In conjunction with this repurchase, ChromaDex, Inc issued a non-interest bearing note to Bayer AG. This note was due December 31, 2008 in the amount of \$1,002,691. The note was discounted based on an interest rate of 8.00% for a discount of \$43,074 and the note was recorded at a discounted value of \$959,617. This note was repaid on December 18, 2008. The repurchased shares were cancelled on June 18, 2008.

**Note 10. Lease Commitments**

The Company leases its office and research facilities in California and Colorado under operating lease agreements that expire at various dates from April 2010 through April 2016. Monthly lease payments range from \$1,029 per month to \$19,657 per month, and minimum lease payments escalate during the terms of the leases. Generally accepted accounting principles require total minimum lease payments to be recognized as rent expense on a straight-line basis over the term of the lease. The excess of such expense over amounts required to be paid under the lease agreement is carried as a noncurrent liability on the Company's consolidated balance sheet.

Minimum future rental payments under all of the leases are as follows:

Fiscal years ending:	
2010 .....	\$ 445,614
2011 .....	444,592
2012 .....	459,638
2013 .....	474,908
2014 .....	270,800
Thereafter .....	372,811
	<u>\$2,468,363</u>

Rent expense was \$509,725, and \$416,612 for the years ended January 2, 2010 and January 3, 2009, respectively.

**Note 11. Related Party Transactions**

At January 2, 2010 and January 3, 2009, the Company owed \$1,178,206 for both dates, to two officers relating to unpaid compensation. The amounts owed to officers are unsecured, non-interest bearing, and payable on demand.

**Note 12. Litigation**

From time to time the Company has and expects to have claims and pending legal proceedings that generally involve product liability, professional service and employment issues. These proceedings are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by the Company. In the opinion of management, such proceedings are substantially covered by insurance and/or are without merit, and the ultimate disposition of such proceedings is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

**Note 13. Business Segmentation and Geographical Distribution**

Revenue from international sources approximated \$1,477,000 and \$1,424,000 for the years ended January 2, 2010 and January 3, 2009, respectively. International sources which the Company generates revenue include Europe, North America, South America, Asia, and Oceania.

The Company's operations comprise a single business segment and all of the Company's long-lived assets are located within the United States.

**Note 14. Management's Plans for Operations**

The Company has incurred a loss from operations of \$892,732 and a net loss of \$907,568 for the year ended January 2, 2010, and a net loss of \$2,104,476 for the year ended January 3, 2009. The loss for the year ended January 2, 2010 reflects costs related to increased service capacity as well as related to reporting, legal,

accounting and compliance associated with being a public reporting entity. The Company expects to incur significant future costs associated with being a public reporting entity. The loss for the year ended January 3, 2009 largely reflects one-time legal and accounting costs associated with the Merger and subsequent costs associated with becoming a public reporting entity. The legal and accounting one-time costs for the year ended January 3, 2009 were approximately \$640,000. In addition, management has invested heavily in additional personnel and selling expenses over the past two years to implement its business plan. This has resulted in higher direct labor, indirect overhead, selling, and advertising expenses versus prior years. Management has also implemented additional strategic operational structure changes, which it believes, will allow the Company to achieve profitability with future growth without incurring significant additional overhead costs. Management's anticipation of future growth is largely related to the Food and Drug Administration's (FDA's) guideline releases in the dietary supplement industry and the market's trend towards green chemistry in the food and cosmetic sector. The Company has implemented a comprehensive marketing plan design targeted on leveraging its capabilities concurrent with the FDA's releases. The Company has also expanded its marketing plan to target the pharmaceutical, cosmetic and food sectors to support the reference standards, analytical services and discovery libraries product lines.

The company's net cash used in operating activities was approximately \$396,000 for the year ended in January 2, 2010, which was significantly less than approximately \$1,921,000 for the year ended in January 3, 2009. Achieving growth without incurring significant additional overhead costs coupled with one-time legal and accounting costs for the year ended January 3, 2009 contributed to this significant decrease in net cash used. As mentioned earlier, the Management believes the implemented strategic operational structure changes will allow the Company to achieve profitability through future sales growth without incurring significant additional overhead costs. This was evidenced by the company's net decrease in cash for the 6 month period ended January 2, 2010 being approximately \$135,000.

The Company believes its current cash on hand and the cash provided by current operations will be sufficient to implement our current business plan through the June, 2011. However, if the Company determines that it needs additional financing to further enable its long-term strategic objectives, there can be no assurance that it will be available on terms favorable to it or at all. If adequate financing is not available, the Company may have to delay, postpone or terminate product and service expansion and curtail general and administrative operations in order to maintain sufficient operating capital throughout 2010. The inability to raise additional financing may have a material adverse effect on the future performance of the Company.



## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

We have had no disagreements with our independent and registered public accounting firm on accounting and financial disclosure.

### **Item 9A(T). Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

The Company's Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures as of January 2, 2010. Pursuant to Rule 13a-15(e) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, "disclosure controls and procedures" means controls and other procedures that are designed to insure that information required to be disclosed by the Company in the reports that it files with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. "Disclosure controls and procedures" include, without limitation, controls and procedures designed to insure that information the Company is required to disclose in the reports it files with the Commission is accumulated and communicated to the Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure. Based on the Company's evaluation, its Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of January 2, 2010.

#### **Changes in Internal Controls**

There was no change in internal controls over financial reporting (as defined in Rule 13a-15(f) promulgated under the Securities Exchange Act of 1934) that occurred during the Company's fourth fiscal quarter that has materially affected or is reasonably likely to materially affect the Company's internal control over financial reporting.

#### **Management's Report on Internal Control over Financial Reporting**

The management of ChromaDex is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934.

Management, including the undersigned Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting presented in conformity with accounting principles generally accepted in the United States of America as of January 2, 2010. In conducting its assessment, management used the criteria issued by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework*. Based on this assessment, management concluded that, as of January 2, 2010, the Company's internal control over financial reporting was effective based on those criteria.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

### **Item 9B. Other Information**

None.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

Except as hereinafter noted, the information concerning directors and executive officers of the Company is incorporated by reference from the section entitled “Proposal 1: Election of Directors”, “Corporate Governance”, and “Security Ownership of Certain Beneficial Owners and Management” of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

The Company has adopted a Code of Conduct that applies to all of the Company’s employees, including the Company’s principal executive officer, the principal financial and accounting officer, and all employees who perform these functions. A full text of our Code of Conduct is published on our website at [www.chromadex.com](http://www.chromadex.com) under the tab “Investor Relations-Corporate Governance.” If the Company shall amend its Code of Conduct as applies to the principal executive officer, principal financial officer, principal accounting officer or controller (or persons performing similar functions) or shall grant a waiver from any provision of the code of conduct to any such person, the Company shall disclose such amendment or waiver on its website at [www.chromadex.com](http://www.chromadex.com) under the tab “Investor Relations-Corporate Governance.”

### **Item 11. Executive Compensation**

Information concerning management remuneration and transactions is incorporated by reference from the section entitled “Director Compensation” and “Executive Compensation” of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

**Equity Compensation Plan Information**

The following table provides information about the equity compensation plans of ChromaDex as of January 2, 2010:

<u>Plan Category</u>	<u>A</u>	<u>B</u>	<u>C</u>
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (A))
Equity compensation plans approved by security holders . . . . .	4,140,426	\$1.25	982,712(1)
Equity compensation plans not approved by security holders . . . . .	—	—	—
Total . . . . .	4,140,426	\$1.25	982,712(1)

(1) Pursuant to the ChromaDex, Inc. 2007 Second Amended and Restated Equity Incentive Plan (the “2007 Plan”), the maximum number of shares authorized for issuance under this plan is the greater of 4,000,000 shares of common stock or 10% of the shares of common stock of the Company issued and outstanding on any date during the 2007 Plan, as determined in accordance with Section 13(a) of the 2007 Plan, subject to specified adjustment.

Information concerning security ownership of certain beneficial owners and management is incorporated by reference from the sections entitled “Security Ownership of Certain Beneficial Owners and Management” of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

Information concerning relationships and related transactions with management and others is incorporated by reference from the section entitled “Certain Relationships and Related Transactions, and Director Independence” of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

**Item 14. Principal Accounting Fees and Services**

Information concerning principal accounting fees and services is incorporated by reference from the section entitled “Ratification of Appointment of Independent Public Accountants” of our definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

## PART IV

### **Item 15. Exhibits and Financial Statement Schedules**

#### Financial Statements

Reference is made to Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

#### List of Exhibits

Reference is made to the Exhibit Index immediately preceding such Exhibits of this Annual Report on Form 10-K.

**Item 16. Signatures**

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, on the 31<sup>st</sup> day of March 2010.

CHROMADEX CORPORATION

By:           /s/ FRANK L. JAKSCH, JR.            
**Frank L. Jaksch, Jr.**  
**Chief Executive Officer and President**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>          /s/ FRANK L. JAKSCH, JR.          </u> <b>Frank L. Jaksch, Jr.</b>	Co-Chairman of the Board, Chief Executive Officer, President, Director (Principal Executive Officer)	March 31, 2010
<u>          /s/ THOMAS C. VARVARO          </u> <b>Thomas C. Varvaro</b>	Chief Financial Officer, Secretary and Director (Principal Financial and Accounting Officer)	March 31, 2010
<u>          /s/ STEPHEN BLOCK          </u> <b>Stephen Block</b>	Director	March 31, 2010
<u>          /s/ REID DABNEY          </u> <b>Reid Dabney</b>	Director	March 31, 2010
<u>          /s/ MARK S. GERMAIN          </u> <b>Mark S. Germain</b>	Co-Chairman of the Board, Director	March 31, 2010

## EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
2.1	Agreement and Plan of Merger, dated as of May 21, 2008, among Cody, CDI Acquisition, Inc. and ChromaDex, Inc. as amended on June 10, 2008 (incorporated by reference from, and filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
3.1	Amended and Restated Certificate of Incorporation of ChromaDex Corporation, a Delaware corporation (incorporated by reference from, and filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
3.2	Bylaws of ChromaDex Corporation, a Delaware corporation (incorporated by reference from, and filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.1	Form of Stock Certificate representing shares of ChromaDex Corporation Common Stock (incorporated by reference from, and filed as Exhibit 4.1 of the Company's Annual Report on Form 10-K filed with the Commission on April 3, 2009)
4.2	Investor's Rights Agreement, effective as of December 31, 2005, by and between The University of Mississippi Research Foundation and ChromaDex (incorporated by reference from, and filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.3	Tag-Along Agreement effective as of December 31, 2005, by and among the Company, Frank Louis Jaksch, Snr. & Maria Jaksch, Trustees of the Jaksch Family Trust, Margery Germain, Lauren Germain, Emily Germain, Lucie Germain, Frank Louis Jaksch, Jr., and the University of Mississippi Research Foundation (incorporated by reference from, and filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.4	License Agreement, effective September 15, 2005 between L&J Becvar, L.P. and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
4.5	Form of Warrant to Purchase Shares of Common Stock of ChromaDex Corporation (incorporated by reference from, and filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Commission on July 30, 2008)
10.1	ChromaDex, Inc. 2000 Non-Qualified Incentive Stock Option Plan effective October 1, 2000 (incorporated by reference from, and filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.2	Second Amended and Restated 2007 Equity Incentive Plan effective March 13, 2007 (incorporated by reference from, and filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.3	Form of Stock Option Agreement under the ChromaDex, Inc. Second Amended and Restated 2007 Equity Incentive Plan (incorporated by reference from, and filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.4	Form of Restricted Stock Purchase Agreement under the ChromaDex, Inc. 2007 Equity Incentive Plan (incorporated by reference from, and filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+

<u>Exhibit Number</u>	<u>Description</u>
10.5	Employment Agreement dated April 14, 2008, by and between Frank L. Jaksch, Jr. and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 10.5 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.6	First Amendment to Employment Agreement dated April 14, 2008, by and between Frank L. Jaksch, Jr. and ChromaDex, Inc. Amended August 21, 2008 (incorporated by reference from, and filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Commission on November 12, 2008)(1)+
10.7	Employment Agreement dated April 14, 2008, by and between Thomas C. Varvaro and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)(1)+
10.8	First Amendment to Employment Agreement dated April 14, 2008, by and between Thomas C. Varvaro and ChromaDex, Inc. Amended August 21, 2008 (incorporated by reference from, and filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the Commission on November 12, 2008)(1)+
10.9	Standard Industrial/Commercial Multi-Tenant Lease – Net dated December 19, 2006, by and between the ChromaDex, Inc. and SCIF Portfolio II, LLC (incorporated by reference from, and filed as Exhibit 10.7 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.10	Lease Agreement dated October 26, 2001, by and between Railhead Partners, LLC and NaPro BioTherapeutics, Inc., as assigned to Chromadex Analytics, Inc. on April 9, 2003 and amended on September 24, 2003 (incorporated by reference from, and filed as Exhibit 10.8 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.11	First Amendment to Standard Industrial/Commercial Multi-Tenant Lease, made as of July 18, 2008, between SCIF Portfolio II, LLC ("Lessor") and ChromaDex, Inc. ("Lessee") (incorporated by reference from, and filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on July 23, 2008)
10.12	Second Addendum to Lease Agreement, made as of April 27, 2009, by and between Railhead Partners, LLC and Chromadex Analytics, Inc. (incorporated by reference from, and filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on April 28, 2009)
10.13	Licensing Agreement Nutraceutical Standards effective as of December 31, 1999 between the University of Mississippi Research Foundation and ChromaDex (incorporated by reference from, and filed as Exhibit 10.9 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.14	Equity Based License Agreement dated October 25, 2001, by and between the Company and Bayer Innovation Beteiligungsgesellschaft mbH, as amended as of October 30, 2003 (incorporated by reference from, and filed as Exhibit 10.10 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.15	License Agreement, effective September 15, 2005 between L&J Becvar, L.P. and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.16	Patent License Agreement between the Board of Regents of The University of Texas Systems and ChromaDex, Inc. (incorporated by reference from, and filed as Exhibit 10.12 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)



<u>Exhibit Number</u>	<u>Description</u>
10.17	Stock Redemption Agreement, dated June 18, 2008 between ChromaDex, Inc. and Bayer Innovation GmbH (formerly named Bayer Innovation Beteiligungsgesellschaft mbH) (incorporated by reference from, and filed as Exhibit 10.13 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.18	Promissory Note, dated June 18, 2008 between ChromaDex, Inc. as borrower and Bayer Innovation GmbH as lender. (incorporated by reference from, and filed as Exhibit 10.14 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
10.19	Technology License Agreement dated June 30, 2008 between The Research Foundation of the State University of New York and ChromaDex, Inc.* (incorporated by reference from, and filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Commission on August 12, 2008)
10.20	Subscription Agreement, dated November 29, 2009, between Jinke Group (Hong Kong) Ltd and ChromaDex Corporation (incorporated by reference from, and filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on December 3, 2009)
21.1	Subsidiaries of ChromaDex (incorporated by reference from, and filed as Exhibit 21.1 to the Company's Current Report on Form 8-K filed with the Commission on June 24, 2008)
23.1	Consent of McGladrey & Pullen, LLP, Independent Registered Public Accounting Firm
31.1	Certification of the Chief Executive Officer pursuant to §240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended
31.2	Certification of the Chief Financial Officer pursuant to §240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended
32.1	Certification pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)
(1)	Plan and related Forms were assumed by ChromaDex Corporation pursuant to Agreement and Plan of Merger, dated as of May 21, 2008, among ChromaDex Corporation (formerly Cody Resources, Inc.), CDI Acquisition, Inc. and ChromaDex, Inc.
+	Indicates management contract or compensatory plan or arrangement.
*	This Exhibit has been granted confidential treatment and has been filed separately with the Commission. The confidential portions of this Exhibit have been omitted and are marked by an asterisk.

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in Registration Statements (No. 333-154402 and No. 333-154403) on Form S-8 of ChromaDex Corporation of our report dated March 31, 2010 relating to our audits of the consolidated financial statements, which appear in this Annual Report on Form 10-K of ChromaDex Corporation for the year ended January 2, 2010.

/s/ McGladrey & Pullen, LLP

Schaumburg, Illinois  
March 31, 2010

**Certification of the Chief Executive Officer**  
**Pursuant to**  
**§240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended**

**I, Frank L. Jaksch Jr., certify that:**

1. I have reviewed this annual report on Form 10-K of ChromaDex Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of 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 Rules 13a-15(f) and 15a-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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 registrant's board of directors (or persons performing the equivalent function):
  - (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.

Date: March 31, 2010

/s/ FRANK L. JAKSCH JR  
Frank L. Jaksch Jr.  
Chief Executive Officer

**Certification of the Chief Financial Officer**  
**Pursuant to**  
**§240.13a-14 or §240.15d-14 of the Securities Exchange Act of 1934, as amended**

**I, Thomas C. Varvaro., certify that:**

1. I have reviewed this annual report on Form 10-K of ChromaDex Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of 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 Rules 13a-15(f) and 15a-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 (the registrant's fourth fiscal quarter in the case of an annual report) 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 registrant's board of directors (or persons performing the equivalent function):
  - (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.

Date: March 31, 2010

/s/ THOMAS C. VARVARO  
Thomas C. Varvaro  
Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350  
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)**

In connection with this annual report of ChromaDex Corporation (the “Company”) on Form 10-K for the year ending January 2, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Frank L. Jaksch Jr., Chief Executive Officer of the Company, and Thomas C. Varvaro, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge:

1. The 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 Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 31, 2010

/s/ FRANK L. JAKSCH JR  
Frank L. Jaksch Jr.  
Chief Executive Officer

/s/ THOMAS C. VARVARO  
Thomas C. Varvaro  
Chief Financial Officer