GENETHERA INC
Form 10-Q
August 12, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

For the Quarterly Period Ended June 30, 2008

Commission File No. 000-27237

GENETHERA, INC.

(Exact name of small Business Issuer as specified in its Charter)

Nevada	65-0622463
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
3930 Youngfield Street, Wheat Ridge CO	80033
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number, including area code: (303) 463-6371

Check whether the issuer (1) 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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days [X] Yes [ ] No

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

Large accelerated filer [ ]

Accelerated filer [ ]

Non-accelerated filer [ ]

Smaller reporting company [X]

(Do not check if a smaller reporting company)

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

Yes [ ]

No [X]

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 12,595 Shares of $.001 par value Common Stock outstanding as of June 30, 2008 and Series A 4,600 Shares, and Series B 7,500,000 shares of $.001 par value Preferred Stock outstanding as of June 30, 2008.

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

GENETHERA, INC.

AND SUBSIDIARY

(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2008

UNAUDITED

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GENETHERA, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

Assets

	Unaudited June 30, 2008	December 31, 2007
Current Assets		
Cash	$ 1	$ 196
Accounts receivable - less reserve for uncollectible amount	821	68,267
Total Current Assets	822	68,463
Property and equipment	727,428	727,428
Accumulated Depreciation	(472,665)	(436,864)
Property and equipment, net	254,763	290,564
Other Assets		
Deposits	5,278	5,278
Total Other Assets	5,278	5,278
Total Assets	$ 260,863	$ 364,305

Balance Sheet 4

Liabilities and Stockholders' Equity

	Unaudited June 30, 2008	December 31, 2007
Current Liabilities		
Accounts payable	$ 228,682	$ 582,869
Accrued expenses	878,938	968,702
Note payable	83,871	150,290
Total Current Liabilities	1,191,491	1,701,861
Total Liabilities	1,191,491	1,701,861
Stockholders' Equity		
Preferred stock, $.001 par value, 20,000,000 shares authorized;		
Series A 4,600 shares issued and outstanding $.001 par value	5	5
Series B 7,500,000 shares issued and outstanding $.001 par value	7,500	3,000
Common stock $.001 par value, 100,000,000 shares authorized;		
12,595 shares issued and outstanding	13	10
Additional paid in capital	15,837,869	15,069,221
Deficit accumulated during development stage	(16,776,015)	(16,409,792)
Total Stockholders' Equity	(930,628)	(1,337,556)
Total Liabilities & Stockholders' Equity	$ 260,863	$ 364,305

Statements of Operations 5

GENETHERA, INC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE PERIOD FROM OCTOBER 5, 1998 (INCEPTION) TO JUNE 30, 2008

UNAUDITED

	3 month period ended June 30,		**6 month period ended June 30,**		**For the period fr October 5, 1998 (inception) to June 30, 2008**
	2008	**2007**	**2008**	**2007**	
Income					
Sales	$ -	$ 30,000	$ 10,822	$ 30,000	$ 52
Research fees			-	-	18
Total income	-	30,000	10,822	30,000	71
Cost of sales	0	0	-	-	(3
Gross profit	-	30,000	10,822	30,000	68
Expenses					
Other compensation	-		-	-	3,2
Consulting	24,525	161,759	77,085	208,360	4,8
General and administrative expenses	75,371	139,977	146,935	235,149	4,0
Payroll expenses	58,500	59,850	117,000	118,350	2,2
Depreciation	17,861	18,211	35,801	36,462	47
Settlement expense	-	-	-	-	8
Impairment of long-lived asset	-	-	-	-	5
Bad debt expense					
Lab expenses	97	11	224	11	1

Total expenses	176,354	379,808	377,045	598,332	15,3
Loss from operations	(176,354)	(349,808)	(366,223)	(568,332)	(14,6
Other income (expenses)					
Beneficial conversion expense	-		-	-	
Interest expense			-	-	(1,9
Gain on settlements			-	-	(4
Other income (expenses), net			-	-	
Net loss from continuing operations	(176,354)	(349,808)	(366,223)	(568,332)	(16,6
Gain (loss) from disposal of subs					
Loss from discontinued operations			-	-	(1
Net loss	$ (176,354)	$ (349,808)	$ (366,223)	$ (568,332)	$ (16,776
Loss per common share Basic & Diluted	$ (15.584)	$ (43.990)	$ (30.716)	$ (66.394)	
Weight Average Shares	11,316	7,952	11,923	8,560	

Changes in Stockholders equity 6

GENETHERA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (DEFICIT)

FOR THE PERIOD ENDED JUNE 30, 2008

UNAUDITED

	Preferred Stock A		Preferred Stock B		Common Stock		Paid in	Subscription
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Agreement
Balance December 31, 2007	4,600	$ 5	3,000,000	$ 3,000	10,305	$ 51,527	$ 15,017,704	$ -
Shares issued for consulting services					850	4,251	82,223	
Shares issued for rent					144	718	13,645	
Shares issued for rent					328	1,642	16,781	
Shares issued for consulting services					968	4,839	469,052	
Additional paid in Capital -						(62,964)	62,964	

Reverse Split														
Share issued to Officer				4,500,000		4,500						175,500		
Net Loss June 30, 2008														
Balance June 30, 2008		$ 4,600		5		$ 7,500,000		4,500		12,595		$ 13	$ 15,837,869	$ -

Cash Flows 7

GENETHERA, INC. AND SUBSIDIARIES

(DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIOD FROM OCTOBER 5, 1998 (INCEPTION) TO JUNE 30, 2008

UNAUDITED

	6 month period ended June 30,		For the period from October 5, 1998 (inception) to
	2008	2007	June 30, 2008
Cash flows from operating activities:			
Net loss	$ (366,223)	$ (568,332)	$ (16,776,015)
Adjustments to reconcile net loss to net			
cash provided by (used in) operating activities:			
Depreciation and amortization	35,801	36,462	472,665
Bad Debt Expense		(90,000)	0
Compensation in exchange for common stock	593,151	441,726	9,741,150
Beneficial conversion feature	-	-	1,987,990
Changes in operating assets and liabilities			
(Increase) Decrease in:			
Accounts receivable	67,446	93,100	821
Accounts receivable Related Parties	-	(11,360)	0
Reserve for Uncollectible			
Inventory	-	-	0

Prepaid expenses	-	(110)	0	
Other assets	-	-	5,278	
(Increase) Decrease in account payable and accrued liabilites	(443,951)	84,296	1,107,620	
Total adjustments	254,447	554,114		13,315,524
Net cash used in operating activities	(113,776)	(14,218)		(3,460,491)
Cash flows from investing activities:				
Cash payments for the purchase of property	-	-		(299,072)
Cash flows from financing activities:				
Bank overdraft	-	-		-
Capital contributed as equipment	-	-		272,376
Principal payments on notes & leases payable	-	(8,022)		(240,119)
Payment of lease payable				
Payment for Accrued Salaries				
Proceeds from issuance of stock	180,000	-		2,088,882
Proceeds from Payments of loans payable	(66,419)	22,216		1,566,371
Proceeds from Subscription Receivable	-	-		100,040
Repurchase of Common Stock	-	-		(1,610)
Reciept of APIC	-	-		20,000
Payment of Preferred Dividends	-	-		(46,338)
		-		
Net cash provided by financing activities	113,581	14,194		3,759,602

Net increase (decrease) in cash		(195)		(24)		39
Cash, beginning of year		196		234		
Cash, end of year	$	1	$	210	$	1
Supplemental disclosures of cash flow information:						
Cash paid during the period for interest expense	$	-	$	-	$	46,758
Cash paid during the period for Taxes	$	-	$	-		-

GENETHERA, INC. AND SUBSIDIARY

A DEVELOPMENT STAGE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2008

UNAUDITED

NOTE 1

PRINCIPLES OF CONSOLIDATION

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, GeneThera, Inc. (Colorado). All significant inter-company balances and transactions have been eliminated.

NOTE 2

BASIS OF PRESENTATION

The interim financial information included herein is unaudited; however, such information reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the Company s financial position, results of operations, changes in stockholders equity (deficit) and cash flows for the interim periods. All such adjustments are of a normal, recurring nature. The results of operations for the first three months of the year are not necessarily indicative of the results of operations which might be expected for the entire year.

The accompanying consolidated financial statements of the Company have been prepared in accordance with the instructions to Form 10-Q and, therefore, omit or condense certain footnotes and other information normally included in financial statements prepared in accordance with generally accepted accounting principles. It is suggested that these condensed financial statements should be read in conjunction with the Company's financial statements and notes thereto included in the Company's audited financial statements on Form 10-KSB/A as amended for the fiscal year ended December 31, 2007.

NOTE 3

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Stock Based Compensation

The Company has adopted the use of Statement of Financial Accounting Standards No. 123R , Share-Based Payment , (SFAS No. 123R) This Statement requires an entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost is recognized over the period during which an employee is required to provide service in exchange for the award the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. This Statement supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees , and its related implementation guidance and eliminates the alternative to use Opinion 25 s intrinsic value method of accounting that was provided in Statement 123 as originally issued.

GENETHERA, INC. AND SUBSIDIARY

A DEVELOPMENT STAGE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2008

UNAUDITED

NOTE 3

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Earnings per Share

Basic earnings per share are computed based on the weighted average number of common shares outstanding during each year. Diluted earnings per share are computed based on the weighted average number of common shares outstanding during the period, there is no Diluted earnings per share for any periods in which there is a loss as it would be anti-dilutive.

NOTE 4

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	June 30, 2008
Computers	$ 42,987
Office Equipment	

39,891

Furniture & fixtures

1,465

Laboratory equipment

643,084

727,428

Less accumulated depreciation

(472,665)

$254,763

Depreciation expense for the six months ended June 30, 2008 and 2007 was $35,801 and $36,462 respectively.

NOTE 5 NOTE PAYABLE

For the periods ended June 30, 2008 and December 31, 2007, the Company had a balance in note payable of $83,871 and $150,290 respectively. The note was paid down with the last contract the Company had with NIH.

GENETHERA, INC. AND SUBSIDIARY

A DEVELOPMENT STAGE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 31, 2008

UNAUDITED

NOTE 6

STOCKHOLDERS EQUITY

Common Stock

In January 2008, the Company issued 347 shares valued at $34,690 to consulting services of operations and resulted in an immediate charge to operations.

In February 2008, the Company issued 129 shares valued at $14,375 to consulting services of operations and resulted in an immediate charge to operations.

In February 2008, the Company issued 44 shares valued at $4,363 for rent of the facility of operations and resulted in an immediate charge to operations.

In March 2008, the Company issued 374 shares valued at $37,408 to consulting services of operations and resulted in an immediate charge to operations.

In March 2008, the Company issued 100 shares valued at $10,000 for rent and yearly maintenance of the facility of operations and resulted in an immediate charge of operations.

In April 2008, the Company issued 40 shares valued at $4,000 for rent of the facility of operations and resulted in an immediate charge to operations.

In April 2008, the Company issued 139 shares valued at $13,933 to consulting services of operations and resulted in an immediate charge to operations.

In May 2008, the Company issued 143 shares valued at $7,150 for rent of the facility of operations and resulted in an immediate charge to operations.

In May 2008, the Company issued 688 shares valued at $452,958 to consulting services of operations and resulted in an immediate charge to operations.

In June 2008, the Company issued 145 shares valued at $7,273 for rent of the facility of operations and resulted in an immediate charge to operations.

In June 2008, the Company issued 140 shares valued at $7,000 for consulting services of operations and resulted in an immediate charge to operations.

As of June 30, 2008, there were 12,595 shares of our common stock issued and outstanding.

GENETHERA, INC. AND SUBSIDIARY

A DEVELOPMENT STAGE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 31, 2008

UNAUDITED

Preferred Stock

In April 2008, the company issued 4,500,000 preferred B shares valued at $.04/share.

As of June 30, 2008, there were 4,600 shares of our Series A, Convertible Preferred Stock (Series A) issued and outstanding, and 7,500,000 shares of our Series B, Convertible Preferred Stock (Series B) were issued and outstanding.

Reverse Stock Split

As of July 9, 2008, the Company did a reverse stock split of one-for-five thousand (1:5,000) reverse split of it common stock. After the reverse split, the Company has 12,595 shares outstanding. All Per Share amounts in the accompanying financial statements have been adjusted for the reverse split.

NOTE 7 GOING CONCERN UNCERTAINTY

These financial statements are presented assuming the Company will continue as a going concern. For the periods ended June 30, 2008 and 2007, the Company showed operating losses of $366,223 and $568,332 respectively. The accompanying financial statements indicate that current liabilities exceed current assets by $1,190,669 for the six months ended June 30, 2008.

These factors raise substantial doubt about its ability to continue as a going concern. Management s plan with regard to these matters includes raising working capital and significant assets and resources to assure the Company s viability, through private or public equity offering, and/or debt financing, and/or through the acquisition of new business or private ventures.

Item 2. Management's Discussion and Analysis and Results of Operation

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto that appear elsewhere herein.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Sections of this Form 10-Q, including the Management's Discussion and Analysis or Plan of Operation, contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements are subject to risks and uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. You should not unduly rely on these statements. Forward-looking statements involve assumptions and describe our plans, strategies, and expectations. You can generally identify a forward-looking statement by words such as "may," "will," "should," would," could," "plan," "goal," "potential," "expect," "anticipate," "estimate," "believe," "intend," "project," and similar words and variations thereof. This report contains forward-looking statements that address, among other

things,

* our financing plans,

* regulatory environments in which we operate or plan to operate, and

* trends affecting our financial condition or results of operations, the impact of competition, the start-up of certain operations and acquisition opportunities.

Factors, risks, and uncertainties that could cause actual results to differ materially from those in the forward-looking statements ("Cautionary Statements") include, among others,

* our ability to raise capital,

* our ability to execute our business strategy in a very competitive environment,

* our degree of financial leverage,

* risks associated with our acquiring and integrating companies into our own,

* risks relating to rapidly developing technology,

* regulatory considerations;

* risks related to international economies,

* risks related to market acceptance and demand for our products and services,

* the impact of competitive services and pricing, and

* other risks referenced from time to time in our SEC filings.

All subsequent written and oral forward-looking statements attributable to us, or anyone acting on our behalf, are expressly qualified in their entirety by the cautionary statements. We do not undertake any obligations to publicly release any revisions to any forward-looking statements to reflect events or circumstances after the date of this report or to reflect unanticipated events that may occur.

RESULTS OF OPERATIONS

Gross profits for the six-month period ended June 30, 2008 were ($366,223) compared to ($568,332) for the same period last year. Personnel (salaries) decrease from $118,350 for the prior six month period ending June 30, 2007 to $117,000 for the six month period ending June 30, 2008. Professional expenses (consulting and professional fees) comparing the six month period ending June 30, 2008, to the six month period ending June 30, 2007, decrease from $208,360 to $77,085 with the decrease attributable to the consultants throughout the quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a cash balance of $1 as of June 30, 2008. Accounts receivable as of June 30, 2008 was $821. It is estimated that it will require outside capital for the remainder of fiscal year 2008 for the commercialization of GeneThera's molecular assays as well as the development of their therapeutic vaccines. The Company intends to raise these funds by means of one or more private offerings of debt or equity securities or both and also generating revenue from Mexico. Currently the company is in discussions with one group to obtain financing through either debt and/or equity. No definitive agreements have been signed. There are no guarantees whether the Company will be able to secure such a financing, and if the financing is secured, there are no guarantees whether the Company can achieve the goals laid out in its business plan fully. We will require significant additional funding in order to achieve our business plan.

Our longer-term working capital and capital requirements will depend upon numerous factors, including revenue and profit generation, pre-clinical studies and clinical trials, the timing and cost of obtaining regulatory approvals, the cost of filing, prosecuting, defending, and enforcing patent claims and other intellectual property rights, competing technological and market developments, collaborative arrangements. Additional capital will be required in order to attain such goals. Such additional funds may not become available on acceptable terms and we cannot give any assurance that any additional funding that we do obtain will be sufficient to meet our needs in the long term.

Item 3. GENETHERA PLAN OF OPERATION

Background

In November 2007, GeneThera, Inc. reincorporated in the State of Nevada due to a third party which purchased the GeneThera Florida Charter and requested the Company to pay $80,000. We had a special meeting with three shareholders where it was unanimously resolved for GeneThera to transfer its Charter to the State of Nevada as soon as possible in order to recognize our new incorporation on our next SEC filing. The reinstatement was completed by January 2008. GeneThera has developed proprietary diagnostic assays for use in the agricultural and veterinary markets. Specific assays for Chronic Wasting Disease (among elk and deer) and Mad Cow Disease (among cattle) have been developed and are available currently on a limited basis. E.coli (predominantly cattle) and Johne's disease (predominantly dairy cattle and bison) diagnostics are in development.

GeneThera provides genetics-based diagnostic and is currently working on vaccine solutions to meet the growing demands of today's veterinary industry and tomorrow's agriculture and healthcare industries. The company is organized and operated both to continually apply its scientific research to more effective management of diseases and, in so doing, realize the commercial potential of molecular biotechnology.

The Company believes it will require significant additional funding in order to achieve its business plan. Over the next 12 months, in order to have the capability of achieving its business plan, the Company will require at least $5,000,000. There are no guarantees whether the Company will be able to secure such a financing, and if the financing is secured, there are no guarantees whether the Company can achieve the goals laid out in its business plan fully.

RESEARCH AND DEVELOPMENT

We anticipate that research and development (R&D) will be the source for both assay development and vaccine design/development. If we are able to develop assays for different diseases, we intend to formalize the procedure into a commercial application through a series of laboratories to be owned and operated by GeneThera. To date, we have introduced our diagnostic solution for Chronic Wasting Disease and Mad Cow Disease on a very limited basis. We anticipate that R&D will be ongoing during the life of the Company, as this is the source for new products to be introduced to the market. Our plan is to seek new innovations in the biotechnology field. We cannot assure you that we will be successful in developing or validating any new assays or, if we are successful in developing and validating any such assays, that we can successfully commercialize them or earn profits from sales of those assays. Furthermore, we cannot assure you that we will be able to design, develop, or successfully commercialize any vaccines as a result of our research and development efforts.

COMMERCIAL DIAGNOSTIC TESTING

In the event that we are able to develop assays for the detection of diseases in animals, we intend to establish a series of diagnostic testing laboratories geographically proximate to the primary sources of individual diseases and/or according to specific available operating efficiencies. The specific number of labs to be built and operated will be based on assay demand (demand facilitated by the number of specific disease assays GeneThera develops), our ability to obtain the capital to build the labs, and our ability to successfully manage them from our principal office. As of the date of this filing, we are in negotiation to establish one diagnostic testing laboratory outside of our Colorado facility.

LICENSING

Through our third division, Licensing, we intend to manage the marketing and sale of the vaccines developed by GeneThera's Research & Development division. As GeneThera does not intend to be a vaccine manufacturer, we plan to use our Licensing division to license the technology related to any vaccines that may be developed and to manage the revenue potential available from the successful development and validation of specific vaccines. We cannot provide any assurance that we will develop any vaccines or that, if they are developed, we will be able to license them successfully or that any such license will produce significant revenues.

R&D SERVICES

Molecular, Cellular, Viral Biology Research, and Consulting Services. We provide independent research services to scientists in academia, the pharmaceutical industry, and the biotechnology industry. Primarily, GeneThera's expertise focuses on technology relevant to animal and human immunotherapy. These services are backed by the cumulative experiences of greater than 50 years of research and development in both government and industry by GeneThera's senior scientists. GeneThera intends to develop a commercial-scale implementation of Adenovector Purification Process to support R&D material production. Furthermore, GeneThera intends to evaluate and test commercially available expression vectors and incorporate them into its vector repertoire. These technologies are well established within the repertoire of GeneThera's scientific staff. We cannot provide any assurance, however, that we will be able to successfully offer these services or that, if offered, we can provide them profitably.

Research & Development Services:

Molecular Biology:

Synthetic cDNA Construction

Prokaryotic Expression Vector Construction & Development

E.coli Expression Strain Evaluation

Pilot Scale Fermentation

Mammalian Expression Vector Construction & Development

Baculovirus Expression

Protein Isolation

Protein Engineering: Complement Determining Region Conjugated Proteins

Monoclonal Antibody Production Chimerization & Humanization

Vector design for Prokaryotic Expression of Antibody Fragments (Fab) and Single Chain Antibody (ScFv)

Pilot Scale-up Development

Process Purification & Characterization

Assay Development & Quality Control Pharmaceutical Dosage and Formulation

Gene Therapy Testing Services. GeneThera offers GLP (Good Laboratory Procedure) testing programs for somatic cell, viral and naked DNA-based gene therapies. Our scientists have over nine years experience in providing fully integrated bio-safety testing programs for the cell and gene therapy fields. To date, the Company has not generated any revenues with regard to these services, and there is no assurance that we will generate any revenues from such services.

Replication-Competent Viral Vector Testing. Sensitive in vitro cell culture assays are used to detect replication-competent retroviruses or adenoviruses. GeneThera can work with clients to provide custom replication-competent virus detection assays for the particular vector construct.

Complete Somatic Cell and Viral Vector Packaging and Producer Cell Line Characterization. GeneThera offers all of the assays mandated by regulatory authorities worldwide for the bio-safety analysis and characterization of cells and cell lines used in gene therapy products.

Vector Stock Characterization. Custom purity and potency testing is available for gene therapy viral ector stocks.

Vector Purification Process Validation for Viral Clearance. Most biopharmaceuticals require viral clearance studies to validate the removal of potential contaminants, such as those from bovine components or from helper viruses (adenovirus in AAV production). GeneThera can provide custom design and performance of viral studies for various vector purification processes.

Custom Bio-safety Testing Programs for Somatic Cell, Ex Vivo Cell, and Tissue Therapies. GeneThera can guide our clients through the unique process of designing and implementing a bio-safety testing program that meets the needs of each specific project.

GeneThera is currently seeking contracts for these services and is in the final negotiation stage with a publicly traded company to perform these services on an annual basis. There is no assurance that any contracts will be signed or that the company will generate significant revenues or profits from any such contracts.

BUSINESS MODEL

Summary. GeneThera's animal disease assay development business is based on its Integrated Technology Platform (ITP) that combines a proprietary diagnostic solution called Gene Expression Assay (GES) with PURIVAX™, its system for analyzing large-scale DNA sequencing. The first part of this platform is the ongoing development of molecular diagnostic assays solutions using real time Fluorogenic Polymerase Chain Reaction (F-PCR) technology to detect the presence of infectious disease from the blood of live animals. The second part of the ITP is the development of therapeutic vaccines using RNA interference technology. It also allows for the efficient, effective, and continuous testing, management and treatment of animal populations. These facts distinguish the technology from any alternative testing and management methodology available to agriculture today -- all of which require the destruction of individual animals and even entire herds. Our testing and data analysis processes also allow us not only to separate infected from clean animals, but also to gain knowledge vital to development of preventative vaccines.

Each individual assay utilizes the proprietary Field Collection System (FCS) for the collection and transportation of blood samples to GeneThera's laboratory. The FCS allows GeneThera to maintain the integrity of each sample by the addition of specific reagents to test tubes contained in the system. GeneThera's FCS is designed to be an easy-to-use method of gathering blood samples from harvested or domesticated animals. It ensures consistency of samples as well as increased assurance of each sample's integrity.

To date, GeneThera has successfully developed the ability to detect Chronic Wasting Disease, a disease affecting elk and deer in North America. The release of commercialized Field Collection Systems and laboratory diagnostic testing occurred in October of 2003 as a marketing trial. GeneThera has also successfully developed an assay for the detection of Mad Cow Disease, a disease recently found in the United States, but which has been in Europe for many years. The Field Collection Systems are available for purchase from the Company. Chronic Wasting Disease and Mad Cow Disease are both in the family of diseases called Transmissible Spongiform Encephalopathy (TSE). Diagnostic assays for E.coli O157:H7 and Johne's disease are in the final stages of development.

The Company, through GeneThera, is also developing vaccines for Chronic Wasting Disease and E.coli O157:H7. The Company will need the approval of the USDA before the vaccines can be manufactured or sold. The approval process for animal vaccines is time-consuming and expensive. We anticipate that such approval, if it is obtained, may require more than $5 million and may require more than two years for each vaccine for which approval is sought. Currently we do not have the capital necessary to seek approval of any of our candidate vaccines, and we cannot provide any assurance that we will be able to raise the capital necessary for such approval on terms that are acceptable to us, if at all. In addition, even if we are successful in raising the capital necessary to seek approval of any vaccine, there are no assurances that such an approval will be granted, or if granted, whether we will be able to produce and

sell such vaccines following such an approval in commercial quantities or to make a profit from such production and sales.

ITEM 4.

CONTROLS AND PROCEDURES.

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures within the 90 days prior to the filing date of this report. These evaluations was carried out under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer are effective in timely alerting management to material information relating to us that is required to be included in our periodic SEC filings.

There have been no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the date we carried out our evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

On or about July 23, 2004, Sisu Media sued the Company in Jefferson County District Court for breach of an alleged contract for website services for which the plaintiff seeks compensatory damages, plus costs, interest, and attorney s fees in amounts to be determined at trial. Trial was held on August 4, 2005, wherein the court determined that Sisu Media was entitled to compensation based only upon the breach of contract claim. Plaintiff s claims in quantum meruit and for unjust enrichment were dismissed. The court also dismissed defendant GeneThera, Inc. s claim of aiding and abetting a breach of fiduciary duty by third party. Entry of judgment was entered in favor of the plaintiff in the amount of $49,000.00. On February 9, 2006, the Company appealed this judgment and on January 9, 2008, the Appellate Committee s decision was in favor of the plaintiff due to lack of adequate legal representation. An additional judgment of $6,237.31 was awarded for their attorney s fees. The Company has not paid the abovementioned judgment(s).

On October 11, 2006, MAG Capital, a California Limited Liability Company (Mercator Momentum III, LP; Mercator Momentum Fund LP; Monarch Pointe Fund, Ltd; a British Virgin Islands Corporation), filed litigation against GeneThera, Inc., GTI Corporate Transfer Agents, LLC, a Colorado limited liability company, Antonio Milici, an individual, Tannya L. Irizarry, and Laura Bryan, individuals in the Superior Court State Complaint for breach of written contract. The Company retained legal counsel from Mark A. Shoemaker. In January 2008, MAG Capital dismissed the claims except the anticipatory breach of contract for which the Company s legal counsel filed an appeal dated February 19, 2008.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows, as of June 30, 2008, the common stock owned beneficially by (i) each person known by us to be the beneficial owner of more than five percent of our Common Stock, (ii) each of our directors, (iii) each of our executive officers and (iv) all of our directors and executive officers as a group. Unless otherwise indicated, the address of each person or entity named below is c/o GeneThera, Inc., 3930 Youngfield Street, Wheat Ridge, CO 80033.

	COMMON STOCK BENEFICIALLY OWNED(2)		VOTING PREFERRED STOCK BENEFICIALLY OWNED(2)	
NAME AND ADDRESS OF BENEFICIAL OWNER (1)	**NUMBER**	**PERCENT**	**NUMBER**	**PERCENT**
Antonio Milici (3)	2,083	16.6	6,000,000	80.0
Tannya L. Irizarry (4)	147	1.2	1,500,000	10.0
All directors and officers as a group (2 persons)	2,230	17.8	7,500,000	100.0

(1) This table is based upon information supplied by officers, directors and principal shareholders and documents filed with the SEC. Unless otherwise indicated, and subject to community property laws if applicable, the Company believes that each of the shareholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned.

(2) Applicable percentages are based on 12,595 shares of common stock outstanding and on 7,500,000 shares of Series B Preferred Stock outstanding on June 30, 2006, adjusted as required by rules promulgated by the SEC. Although the Series A Preferred Stock is convertible into approximately 7.2 million shares of our common stock (assuming all shares

were converted as of the date of this prospectus), this table does not give effect to the Series A Preferred Stock because these shares have no voting rights and their convertibility by the holder is currently being contested by the Company.

(3) Dr. Milici is our Chief Executive Officer and Chairman of the Board. He owns 2,083 shares of our common stock and 6,000,000 shares or our Series B preferred stock. Pursuant to our Certificate of Designation establishing the Series B Preferred Stock, each share of our currently issued and outstanding Series B preferred stock may be converted into 10 fully paid and non-assessable shares of our common stock. On all matters submitted to a vote of the holders of the common stock, including, without limitation, the election of directors, a holder of shares of the Series B preferred stock shall be entitled to the number of votes on such matters equal to the number of shares of the Series B preferred stock held by such holder multiplied by twenty (20). Therefore, Dr. Milici will have the power to vote 120,002,083 shares, effectively giving him absolute voting control of the Company.

(4) Ms. Irizarry is married to Antonio Milici. Therefore, she has a beneficial interest in his shares.

Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

No defaults upon senior securities.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders as of March 31, 2008.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 10-Q

(A) Financial Statements

Reference is made to the financial statements listed on the Index to Financial Statements in this Form 10-Q.

(B)

Exhibits

31.1 Certification pursuant to section 302 of the Sarbanes-Oxley act of 2002

31.2 Certification pursuant to section 302 of the Sarbanes-Oxley act of 2002

32.1 Certification of the President and Chief Executive Officer

32.2 Certification of the Chief Financial Officer

Signatures

Pursuant to the requirements of the Securities Act of 1933 the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Wheat Ridge, Colorado on this 12th day of August, 2008.

GENETHERA, INC.

By: s/ Antonio Milici

Name: Antonio Milici
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933 this Registration Statement has been signed by the following persons in the capacities indicated on August 12, 2007:

Signature	**Title(s)**
/s/ Antonio Milici Antonio Milici	President, Chief Executive Officer and Director (principal executive officer)
/s/ Tannya L Irizarry Tannya L Irizarry	Chief Financial Officer (Interim)
/s/ Thomas Slaga Thomas Slaga	Director