UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

(Amendment No. 1)

(Mark One)

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

For the Quarter Ended June 30, 2012

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

For the transition period from ____________ to ____________

Commission File Number 000-53601

TRUNITY HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	87-0496850
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

15 Green Street, Newburyport, Massachusetts 01950

(Address of principal executive offices)

(978) 255-1988

(Registrant's telephone number, including area code)

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 past 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 S No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes S 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.

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

Class	Outstanding as of August 20, 2012
Common Stock, $.0001 par value	35,191,664

EXPLANATORY NOTE

The purpose of this Amendment No. 1 on Form 10-Q/A to Trunity Holdings, Inc. Quarterly Report on Form 10-Q for the period ended June 30, 2012, filed with the Securities and Exchange Commission on August 20, 2012 (the “Form 10-Q”), is to

(1) Furnish Exhibit 101 XBRL (eXtensible Business Reporting Language) interactive data files in accordance with Rule 405 (a)(2) of Regulation S-T. Included as Exhibit 101 to this report is the following information formatted in XBRL: (i) the consolidated balance sheets at June 30, 2012 and December 31, 2011, (ii) the consolidated statements of operations for the three and six months ended June 30, 2012 and 2011 and from inception July 28, 2009 to June 30, 2012, (iii) the consolidated statements of changes in equity from inception July 28, 2009 to June 30, 2012, (iv) the consolidated statements of cash flows for the six months ended June 30, 2012 and 2011 and from inception July 28, 2009 to June 30, 2012, and (v) the notes to the interim consolidated financial statements (text tagged in detail);

(2) Restate the common stock outstanding amount to 35,191,664 as of August 20, 2012 as the amount was input incorrectly;

(3) Restate the Statement of Operations for the period ended July 28,2009 (Inception) to June 30, 2012 to correct the footing of Net Loss by adjusting:
a) Operating Expenses: Selling, general and administrative to $3,231,596,
b) Total Operating Expenses to $7,391,784,
c) Loss From Operations to $(7,053,555),
d) Other income (expense): Interest Expense to $(1,027,662);

(4) Restate the Statement of Cash Flows for the six months ended June 30, 2012, to correct the footing of net (decrease) increase in cash and cash equivalents to $(120,641) by adjusting:
a) Changes in accrued expenses to $(198,413),
b) Net cash used in operating activities to $(901,076);

(5) Restate the Statement of Cash Flows for the six months ended June 30, 2011, to Net Loss to $(855,836) by adjusting:
a) Changes in accounts payable to $152,465;

(6) Add the corresponding years to the future amortization table in Note 3 Intangible Assets previously omitted;

(7) Restate in the Liquidity and Capital Resources the net cash used in operating activities to $901,076 to agree with cash flow.

For the convenience of the reader, this Amended Filing sets forth the Original Filing as modified and superseded where necessary to reflect the restatement. The following items have been amended as a result of, and to reflect, the restatement:

- Part I — Item 1. Consolidated Financial Statements; and
- Part I — Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.;

In accordance with applicable SEC rules, this Amended Filing includes certifications from our Chief Executive Officer as of the date of filing.

Except for the items noted above, no other information in the Original Filing is being amended by this Amended Filing. The Amended Filing continues to speak as of the date of the Original Filing and we have not updated the filing to reflect events occurring subsequently to the Original Filing date other than those associated with the restatement of the Company’s consolidated financial statements. Accordingly, this Amended Filing should be read in conjunction with our filings made with the SEC subsequent to the filing of the Original Filing.

Pursuant to Rule 406T of Regulation S-T, the interactive data files contained in Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

Condensed Consolidated Balance Sheets

	June 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets		
Cash	$2,494	$123,135
Accounts receivable	11,598	2,800
Prepaid expenses and other current assets	44,275	6,460
Deposits	—	175,000
Total current assets	58,367	307,395
Property and equipment		
Fixtures and equipment	162,006	162,006
Less accumulated depreciation	(102,419)	(75,365)
	59,587	86,641
Capitalized software development costs		
Costs incurred	2,865,896	2,566,264
Less accumulated amortization	(2,259,089)	(1,796,220)
	606,807	770,044
Total Assets	$724,761	$1,164,080
LIABILITIES		
Current liabilities		
Notes payable-related party	$549,049	$85,825
Accounts payable	435,542	473,848
Accrued expenses	36,935	210,348
Deferred revenue	15,192	—
Stock subscribed	—	25,000
Deferred rent, current portion	10,134	10,134

Total current liabilities	1,046,852	805,155
Long-term liabilities		
Deferred rent, less current portion	845	5,914
Total long-term liabilities	845	5,914
Total Liabilities	1,047,697	811,069
Commitments and Contingencies		
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, $0.001 par value - 50,000,000 share authorized, 35,191,664 and 32,641,953 shares issued and outstanding at June 30, 2012 and December 31, 2011, respectively.	35,192	32,642
Additional paid-in-capital	7,723,089	7,228,386
Deficit accumulated during development stage	(8,081,217)	(6,908,017)
Total Stockholders' Equity (Deficit)	(322,936)	353,011
Total Liabilities and Stockholders' Equity	$724,761	$1,164,080

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

Condensed Consolidated Statement of Operations

	(Unaudited) For the Three Months Ended to June 30, 2012	For the Three Months Ended to June 30, 2011	For the Six Months Ended to June 30, 2012	For the Six Months Ended to June 30, 2011	For the Period From July 28, 2009 (Inception) to June 30, 2012
Net Sales	$32,945	$89,955	$43,703	$243,081	$533,210
Cost of sales	9,494	35,982	10,876	97,232	194,981
Gross Profit	23,451	53,973	32,827	145,849	338,229
Operating Expenses:					
Research and development	$273,985	$296,321	$612,149	$574,605	$4,160,188
Selling, general and administrative	280,834	134,486	593,878	317,037	3,231,596
	554,819	430,807	1,206,027	891,642	7,391,784
Loss From Operations	(531,368)	(376,834)	(1,173,200)	(745,793)	(7,053,555)
Other income (expense):					
Interest expense	—	(113)	—	(110,043)	(1,027,662)
Net Loss	$(531,368)	$(376,947)	$(1,173,200)	$(855,836)	$(8,081,217)
Net Loss per Share - Basic and Diluted	$(0.02)	$(0.02)	$(0.03)	$(0.05)	
Weighted Average Number of Shares Outstanding During the Period - Basic and Diluted	34,679,294	24,040,686	34,048,685	17,186,846	

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

Condensed Consolidated Statement of Changes in Stockholders' Equity (Deficiency)
Period From July 28, 2009 (Date of Inception) to June 30, 2012
(Unaudited)

	Par $ .001 Common Shares*	Common Stock	Paid in Capital	Stock Subscription Receivable	Deficit Accumulated during the Development Stage	Total Stockholders' Equity (Deficit)
Balance at July 28, 2009 (date of inception)	—	$—	$—	$—	$—	$—
Issuance of founders' stock	7,300,667	7,301	(5,901)	—	—	1,400
Sale of common stock	880,000	880	459,120	(50,000)	—	410,000
Stock issuance costs	—	—	(40,825)	—	—	(40,825)
Common stock issued to investors in a debt offering	822,000	822	410,260	—	—	411,082
Shares issued for stock offering services	33,333	33	30,792	—	—	30,825
Employee stock based compensation	—	—	64,941	—	—	64,941
Net loss	—	—	—	—	(2,015,490)	(2,015,490)
Balance at December 31, 2009	9,036,000	$9,036	$918,387	$(50,000)	$(2,015,490)	$(1,138,067)
Sale of common stock	1,282,005	1,282	655,218	50,000	—	706,500
Stock issuance costs	—	—	(12,160)	—	—	(12,160)
Employee stock based compensation	—	—	40,990	—	—	40,990
Net loss	—	—	—	—	(2,503,388)	(2,503,388)
Balance at December 31, 2010	10,318,005	$10,318	$1,602,435	$—	$(4,518,878)	$(2,906,125)
Sale of common stock	6,857,538	6,858	1,742,717		—	1,749,575
Shares issued for stock offering services	1,698,318	1,698	(1,698)	—	—	—
Stock issuance costs	—	—	(111,775)	—	—	(111,775)
Common stock issued for accrued interest conversion of 8% convertible promissory notes	64,009	64	76,747	—	—	76,811
Common stock issued upon conversion of 8% convertible promissory notes	513,750	514	615,986	—	—	616,500
Common stock issued upon conversion of 9% convertible promissory notes	1,458,333	1,458	436,042	—	—	437,500

Common stock issued for accrued interest upon conversion of note sold to an outside investor	160,000	160	39,840	—	—	40,000
Common stock issued upon conversion of a note sold to an outside investor	400,000	400	99,600	—	—	100,000
Common stock issued to founders upon conversion of Trunity, LLC note	7,200,000	7,200	1,792,800	—	—	1,800,000
Common stock issued upon conversion of lines of credit with founders	3,972,000	3,972	989,028	—	—	993,000
Employee stock based compensation (benefit)	—	—	(53,336)	—	—	(53,336)
Net loss	—	—	—	—	(2,389,139)	(2,389,139)
Balance at December 31, 2011	32,641,953	$ 32,642	$ 7,228,386	$ —	$ (6,908,017)	$ 353,011
Sale of common stock	1,162,655	1,163	394,608	—	—	395,771
Reverse recapitalization related to acquisition	325,000	325	(325,325)	—	—	(325,000)
Employee stock based compensation	—	—	5,669	—	—	5,669
Warrants issued for services	—	—	37,453	—	—	37,453
Net loss	—	—	—	—	(641,832)	(641,832)
Balance at March 31, 2012	34,129,608	$ 34,130	$ 7,340,791	$ —	$ (7,549,849)	$ (174,928)
Sale of common stock	1,062,056	1,062	370,008	—	—	371,070
Employee stock based compensation	—	—	12,290	—	—	12,290
Net loss	—	—	—	—	(531,368)	(531,368)
Balance at June 30, 2012	35,191,664	$ 35,192	$ 7,723,089	$ —	$ (8,081,217)	$ (322,936)

* As adjusted for a 1 for 3 reverse stock split that occurred in 2011 - see Current Report - Form 8K (Note 7).

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

Condensed Consolidated Statement of Cash Flows

	(Unaudited)		
	For the Six Months Ended to June 30, 2012	For the Six Months Ended to June 30, 2011	For the Period From July 28, 2009 (Inception) to June 30, 2012
Cash Flows from Operating Activities:			
Net Loss	$(1,173,200)	$(855,836)	$(8,081,217)
Adjustments to reconcile net loss to net cash (used in) operating activities:			
Depreciation and amortization	489,922	403,246	2,361,507
Stock compensation expense	55,412	—	106,308
Changes in operating assets and liabilities:			
Accounts receivable	(8,799)	913	(11,599)
Prepaid expenses and other assets	(37,816)	19,635	(44,275)
Other long-term assets	—	(44,635)	—
Accounts payable	(38,307)	152,465	435,541
Accrued expenses	(198,413)	0	11,934
Deferred revenue	15,192	(78,703)	15,192
Deferred rent	(5,067)	10,134	10,981
Accrued interest included in notes payable	—		574,512
Net Cash Used In Operating Activities	$(901,076)	$(392,781)	$(4,621,116)
Cash Flows From Investing Activities:			
Purchase of fixed assets	—	(60,989)	(162,006)
Deposits for merger	(150,000)		(325,000)
Payment of platform development costs	(299,631)	—	(2,865,895)
Net Cash (Used In) Provided By Investing Activities	$(449,631)	$(60,989)	$(3,352,901)
Cash Flows From Financing Activities			
Advances from related parties	—	—	162,354
Repayments of advances from related parties	—	(448,308)	(162,354)
Net advances on line of credit related parties	—		156,367
Proceeds from notes payable related parties	463,225		3,881,981
Sale of common stock	766,841	1,764,186	4,102,923

Stock issuance costs	—	(864,852)	(164,760)
Net Cash Provided By Financing Activities	$1,230,066	$451,026	$7,976,511
Net (Decrease) Increase in Cash and Cash Equivalents	(120,641)	(2,744)	2,494
Cash, Beginning of Period	123,135	2,744	—
Cash, End of Period	$2,494	$(0)	$2,494
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the period for interest	$—	$38,773	$405,904
Non-cash Investing and Financing Transactions:			
Conversion of debt to common stock shares	$—	$769,852	$4,063,811
Issuance of stock in acquisition of subsidiary	$325	$—	$325

The accompanying notes are an integral part of these condensed consolidated financial statements.

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TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

(Unaudited)

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1. ORGANIZATION, BASIS OF PRESENTATION AND NATURE OF OPERATIONS

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in The United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all of the information necessary for a comprehensive presentation of financial position and results of operations. The interim results for the period ended June 30, 2012 and 2011 are not necessarily indicative of results for the full fiscal year. It is management's opinion, however that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statements presentation.

The accompanying condensed consolidated financial statements include the accounts of Trunity Holdings, Inc. and its wholly owned subsidiary Trunity, Inc., for the three and six months ended June 30, 2012, the prior year period and for the period from July 28, 2009 (inception) to June 30, 2012. All intercompany accounts have been eliminated in the consolidation.

The Company is a Delaware corporation with its principal office in Newburyport, Massachusetts. It was formed on July 28, 2009 to develop a cloud-based knowledge-sharing platform that focuses on e-learning, virtual textbooks, customer experience and the education marketplace. The Company formed though the acquisition of certain intellectual property by its three founders. The Company is in the development stage and it is presently undertaking research and development of its platform. Our core products, Knowledge, Learn and Connect, are in production and operational, and are currently in use by a limited number of paying customers; however, our revenues are well below the level needed for profitability. We believe that our focused marketing efforts described below as well as the impact of positive "word of mouth" from satisfied users will enable us to substantially increase revenues; however, there can be no assurance that we will ever achieve profitability.

On January 24, 2012, Trunity Holdings, Inc. (“THI” or the “Company”), Trunity, Inc. (“Trunity”) and Trunity Acquisition Corporation (“TAC”), a wholly-owned subsidiary of THI, all Delaware corporations, entered into an Agreement and Plan of Merger (the “Merger Agreement”). Pursuant to the terms of the Merger Agreement, on January 24, 2012, TAC merged with and into Trunity, with Trunity remaining as the surviving corporation and a wholly-owned subsidiary of THI (the “Merger“). As consideration for the Merger, as of the closing of the Merger, (i) each of the 961,974 shares of common stock of THI owned by Trunity was cancelled, (ii) each issued and outstanding share of common stock of Trunity was converted into the right to receive one share of the common stock of THI; and (iii) each share of TAC was converted into one share of Trunity common stock. As a result of the Merger, the former shareholders of Trunity hold 99% of the common stock of THI.

In order to facilitate the reverse merger transaction, immediately prior to execution of the Merger Agreement, Trunity acquired a 90.1% interest in Brain Tree International, Inc., a Utah corporation (“BTI“), pursuant to a Stock Purchase Agreement with the three principal shareholders of THI, as a result of which Trunity acquired 961,974 BTI shares for the price of $325,000 plus 325,000 shares of Trunity common stock. As part of the transaction, on January 24, 2012, immediately prior to the Merger, BTI reincorporated in Delaware and changed its name from Brain Tree International, Inc. to Trunity Holdings, Inc. Pursuant to the reincorporation, 105,064 minority shares of BTI automatically converted into the same number of shares of THI.

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TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(Unaudited)

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1. ORGANIZATION, BASIS OF PRESENTATION AND NATURE OF OPERATIONS-(continued)

In connection with the Merger, the following individuals were appointed to their respective positions with THI set forth beside their names below:

Name	Title
Terry B. Anderton	Chief Executive Officer, President, Chief Financial Officer, Treasurer, Director
Dr. Joakim Lindblom	Executive Vice President, Chief Technology Officer, Secretary, Director
David Breukelman	Director
Jude Blake	Director
Chris Outwater	Director

Except as specifically noted to the contrary, the following discussion relates only to Trunity since, as a result of the Merger, the only historical financial statements presented for the Company in periods following the merger with BTI will be those of the operating entity, Trunity, Inc.

The acquisition of a private operating company by a non-operating public shell corporation typically results in the owners and management of the private company having actual or effective voting and operating control of the combined company. A public shell reverse acquisition is in substance a capital transaction, rather than a business combination. That is, the transaction is a reverse recapitalization, equivalent to the issuance of stock by the private company for the net monetary assets of the shell corporation accompanied by a recapitalization. The accounting is similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets should be recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Development Stage Operations

The Company has operated as a development stage enterprise since its inception by devoting substantially all of its efforts to business development.

Capitalized Software Development Costs

Software development costs are expensed as incurred until technological feasibility has been established, at which time such costs are capitalized to the extent that the capitalizable costs do not exceed the realizable value of such costs, until the product is available for general release to customers. The Company defines the establishment of technological feasibility as the completion of all planning, designing, coding and testing activities that are necessary to establish products that meet design specifications including functions, features and technical performance requirements. Under the Company's definition, establishing technological feasibility is considered complete only after the majority of client testing and feedback has been incorporated into product functionality.

TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(Unaudited)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Going Concern

The financial statements have been prepared assuming the Company will continue as a going concern. The Company has incurred net losses and negative operating cash flow since its inception. To the extent the Company may have negative cash flows in the future, it will continue to require additional capital to fund operations. The Company obtained additional capital investments under various debt and common stock issues. Although management continues to pursue its financing plans, there is no assurance that the Company will be successful in obtaining sufficient revenues to generate positive cash flow. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Revenue Recognition

The Company's revenue model consists of Software as a Service (SaaS) licensing and hosting revenue, for sites using the Company's platform, as well as consulting, and advertising revenue. All SaaS Revenue is recognized ratably over the contract period.

Consulting revenues are earned for web site development services and are recognized on a time and materials basis, billed in accordance with contractual milestones negotiated with the customer. Revenues are recognized as the services are performed and amounts are earned in accordance with FASB ASC Topic 605 Revenue Recognition. We consider amounts to be earned once evidence of an arrangement has been obtained, services are delivered, fees are fixed or determinable, and collectability is probable. In such contracts, revenue is earned upon achievement of certain milestones indicated in the client agreements. Services under these contracts are typically provided in less than a year and represent the contractual milestones or output measure, which reflect the earnings pattern.

Advertising revenue is earned from search engine providers based on search activity for sites hosted by the Company.

Revenues recognized in excess of billings are recorded as Unbilled Revenue (an asset). Billings in excess of revenues recognized are recorded as Deferred Revenue (a liability) until revenue recognition criteria are met. Client prepayments are deferred and recognized over future periods as services are delivered or performed.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board (“the FASB“) issued FASB ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs (“*ASU 2011-04*“).* ASU 2011-04 provides new guidance for fair value measurements intended to achieve common fair value measurement and disclosure requirements in U.S. GAAP and International Financial Reporting Standards. The amended guidance provides a consistent definition of fair value to ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and International Financial Reporting Standards. The amended guidance changes certain fair value measurement principles and enhances the disclosure requirements, particularly for Level 3 fair value measurements. The amended guidance is effective for interim and annual periods beginning after December 15, 2011. Early adoption was not permitted. The Company adopted ASU 2011-04 in this Form 10-Q for the three and six months ended June 30, 2012.

TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(Unaudited)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, *Presentation of Comprehensive Income* ("ASU 2011-05"), to require an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of equity. The standard does not change the items which must be reported in other comprehensive income, how such items are measured or when they must be reclassified to net income. This standard is effective for interim and annual periods beginning after December 15, 2011 and is to be applied retrospectively. The FASB has deferred the requirement to present reclassification adjustments for each component of accumulated other comprehensive income in both net income and other comprehensive income. Companies are required to either present amounts reclassified out of other comprehensive income on the face of the financial statements or disclose those amounts in the notes to the financial statements. During the deferral period, there is no requirement to separately present or disclose the reclassification adjustments into net income. The effective date of this deferral will be consistent with the effective date of the ASU 2011-05. The implementation of ASU 2011-05 did not have a material effect on the Company's consolidated financial statements.

In September 2011, the FASB issued ASU 2011-08, *Testing for Goodwill Impairment* ("ASU 2011-08"). ASU 2011-08 permits an entity to make a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount before applying the two-step goodwill impairment test. If an entity concludes it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it need not perform the two-step impairment test. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 31, 2011. Early adoption was permitted. The implementation of ASU 2011-08 did not have a material impact on the Company's consolidated financial statements.

In December 2011, the FASB issued ASU 2011-11, "Disclosures about offsetting Assets and Liabilities" requiring additional disclosure about offsetting and related arrangements. ASU 2011-11 is effective retrospectively for annual reporting periods beginning on or after January 1, 2013. The adoption of ASU 2011-11 will not have a material impact on the Company's future financial position, results of operation, or liquidity.

In July 2012, the FASB issued authoritative guidance that allows companies the option to perform a qualitative assessment to determine whether impairment testing of indefinite-lived intangible assets is necessary. Under this guidance, an entity is required to perform a quantitative impairment test if qualitative factors indicate that it is more likely than not that indefinite-lived intangible assets are impaired. The qualitative factors are consistent with the guidance established for goodwill impairment testing and include identifying and assessing events and circumstances that would most significantly impact, individually or in aggregate, the carrying value of the indefinite-lived intangible assets. The guidance is not expected to have a material impact on the Company's consolidated financial statements.

TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(Unaudited)

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3. INTANGIBLE ASSETS

Intangible Assets - Intangible assets are recorded at cost and consist of the Trunity Platform software development costs. Amortization is computed using the straight-line method over 3 years. We annually assess intangible and other long-lived assets for impairment. There was no impairment loss in 2011 and 2012.

Intangible assets were comprised of the following at June 30, 2012:

Trunity platform	**Estimated Life**	**Gross Cost**	**Accumulated Amortization**	**Net Book Value**
Assets acquired from Trunity, LLC	3 years	$1,775,000	$(1,775,000)	$—
Internal costs capitalized for period from July 28, 2009 (inception) to December 31, 2009	3 years	121,820	(111,668)	$10,152
Internal costs capitalized for the twelve months ended December 31, 2010	3 years	342,345	(228,230)	$114,115
Internal costs capitalized for the twelve months ended December 31, 2011	3 years	327,100	(109,033)	$218,067
Internal costs capitalized for the three months ended March 31, 2012	3 years	122,257	(20,376)	$101,881
Internal costs capitalized for the three months ended June 30, 2012	3 years	177,374	(14,782)	$162,592

Carrying value as of June 30, 2012	$606,807

The following table represents the future remaining amortization as of June 30, 2012:

2012	171,664
2013	265,968
2014	154,394
2015	14,781
Total future amortization expense	$606,807

The Company's Trunity Platform technology was acquired from a related company, Trunity, LLC, and was valued at management's best estimate of its value at that time of the transaction. Trunity, LLC was wholly owned by the three founders of the Company. Subsequent internal costs capitalized consist of direct labor, including taxes and benefits. Amortization of three years is based on management's best estimate of useful life of current technology in this industry.

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TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(Unaudited)

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4. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

The Company's three founders, Terry Anderton, Les Anderton, and Joakim Lindblom have a number of transactions that warrant disclosure per ASC 850, "Related Party Disclosures".

Loans - The Trunity, LLC Note with the Company was beneficially owned by the three founders of the Company. The loan principal was converted into shares of common stock in 2011. Accrued but unpaid interest at June 30, 2012 and December 31, 2011 was approximately $142,000. The interest will be paid in the second half of 2012.

Credit agreements exist with Terry Anderton and Les Anderton that allow the Company to borrow up to $0.9 million, as needed, to fund working capital needs. These agreements carry an interest rate of 10% and will expire in September and December of 2012. There were no outstanding balances related to these agreements at December 31, 2011. At June 30, 2012, Terry Anderton, Les Anderton, Joakim Lindblom and an investor have advanced the Company short-term loans of $273,333, $190,149, $68,783 and $16,784, respectively, which remain outstanding at the end of the period. The loans have no repayment terms but are expected to be repaid in 2012.

5. STOCKHOLDERS' EQUITY OPTIONS

In 2009, the Company approved the 2009 Employee, Director and Consultant Stock Option Plan (the Plan) and authorized an option pool of 5,500,000 shares. Stock options typically vest over a 3 year period and have a life of 10 years from the date granted. In 2009, the Company accelerated the option vesting of certain employees who terminated their employment, but agreed to work in a consulting capacity. In exchange for the accelerated vesting, the employees agreed to shorter expiration periods for their options. In 2011, the Company issued options to employees of the company to purchase shares of the Company's common stock at exercise prices of $0.30 and $0.25 per share.

Upon exercise of options by any Employee, Director or Consultant, the Company will retire the options and issue common shares commensurate with the plan. That transaction will record any cash received, the termination of options, and the issuance of common shares and related paid-in capital. The Company will not recognize any income or expense upon option conversion.

The Company's policy was to record stock compensation expense in accordance with ASC Topic 718, "Compensation – Stock Compensation", and ASC Topic 505-50, "Equity-Based Payments to Non-Employees". Options granted during 2011 were valued at the date of grant using the Black-Scholes-Merton option pricing model. The per share weighted average fair value of stock options granted during 2011 was $.13 and was determined using the following assumptions: expected price volatility 57%, risk-free interest rate ranging from 1.4% to 2.9%, zero expected dividend yield, and six years expected life of options. The expected term of options granted is based on the simplified method in accordance with SAB 107, and represents the period of time that options granted are expected to be outstanding.

Options granted during 2012 were valued at the date of grant using the Black-Scholes-Merton option pricing model. The per share weighted average fair value of stock options granted during 2012 was $.19 and was determined using the following assumptions: expected price volatility 57%, risk-free interest rate ranging from 1.4% to 2.9%, zero expected dividend yield, and six years expected life of options. The expected term of options granted is based on the simplified method in accordance with SAB 107, and represents the period of time that options granted are expected to be outstanding.

TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(Unaudited)

5.STOCKHOLDERS' EQUITY OPTIONS (continued)

The Company's stock compensation expense for all stock options was $12,290 and $0 for the quarter ended June 30, 2012 and 2011 respectively, and was included in the results of operations in the accompanying condensed consolidated financial statements.

As of June 30, 2012, there was approximately $222,649 of total unrecognized stock compensation expense related to unvested stock options under the Plan. This expense is expected to be recognized over the remaining vesting periods of the outstanding options.

A summary of options issued, exercised and expired for the three months ended June 30, 2012 is as follows:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Intrinsic Value	Weighted-Average Remaining Contractual Life (years)
Outstanding at March 31, 2012	2,443,333	$ 0.30	$ —	7.12
Granted	580,000	$ 0.35	—	
Exercised	—	—	—	
Cancelled	(458,333)	0.32	—	
Outstanding at June 30, 2012	2,565,000	$ 0.33	$ —	
Exercisable at June 30, 2012	275,000	$ 0.27	$ —	
Remaining Expense to be recognized	$110,605			
Over remaining weighted average years	9.00			

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TRUNITY HOLDINGS, INC. AND SUBSIDIARY

(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

June 30, 2012

(Unaudited)

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6. WARRANTS TO PURCHASE COMMON STOCK

During the six months ended June 30, 2012, in connection with services rendered, the Company issued warrants to purchase 250,000 and 25,000 shares of the Company's common stock at an exercise price of $0.50 and $0.25 per share, respectively. The Company recognized expense of $37,453 related to warrants granted during the period and were valued at the grant date using the Black-Scholes-Merton pricing model. All warrants are still outstanding as of June 30, 2012 and expire at various dates through 2016. No warrants were issued during the three months ended June 30, 2012.

A summary of warrants issued, exercised and expired for the six months ended June 30, 2012 and the related changes during this period follows:

	Warrants
Balance at December 31, 2011	242,850
Issued	275,000
Exercised	—
Expired	—
Balance at June 30, 2012	517,850

7. SUBSEQUENT EVENTS

On July 28, 2012, the Company issued CAD$190,300 principal amount of unsecured, redeemable convertible debentures ("Debentures") to Canadian investors in a private offering. The Debentures are convertible at a conversion price of CAD$0.35 per unit. Each unit consists of one share of common stock and a two-year warrant to purchase a share of common stock at an exercise price of CAD$0.40 per share.

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

Forward Looking Statements

The following discussion of our financial condition and results of operations for three months ended June 30, 2012 and for the period from July 28, 2009 (inception) to June 30, 2012 should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this report. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under the Item 1.01. ”Risk Factors,” “Forward-Looking Statements” and “Business” in our Current Report on Form 8-K reporting our reverse merger transaction with Brain Tree International Inc. (“BTI”) dated January 31, 2012 (the “Merger”) filed on January 31, 2012, and amended on March 13, 2012, May 9, 2012 and June 7, 2012. We use words such as anticipate,” estimate,” plan,” project,” continuing,” ongoing,” expect,” believe,” intend,” may,” will,” should,” could,” and similar expressi to identify forward-looking statements.

Overview

Trunity is a Delaware corporation with its principal office in Newburyport, Massachusetts. We were formed on July 28, 2009, to develop a cloud-based knowledge-sharing platform that focuses on e-learning, virtual textbooks, customer experience and the education marketplace. We were formed though the acquisition of certain intellectual property by our three founders. We are in the development stage and are presently undertaking research and development of our platform. Our core products, Knowledge, Learn and Connect, are in production and operational, and are currently in use by certain paying customers; however, our revenues are well below the level needed for profitability. We believe that our focused marketing efforts as well as the impact of positive “word of mouth” from satisfied users will enable us to substantially increase revenues; however, there can be no assurance that we will ever achieve profitability.

Except as specifically noted to the contrary, the following discussion relates only to Trunity since, as a result of the Merger, the only historical financial statements presented for the Company in periods following the merger with BTI will be those of the operating entity, Trunity, Inc.

Results of Operations

We are a development stage company with minimal cash assets and limited operations. Our fiscal year end is December 31. We recently elected to change from BTI's June 30 fiscal year end, as reported in our Form 8-K current report filed on May 21, 2012.

Our revenues of $32,945 and $43,703 for the three and six months ended June 30, 2012, respectively, represent revenues primarily from sales of services, advertising and licensing fees. We had revenues of $89,955 and $243,081 for the three and six months ended June 30, 2011, respectively, representing the final portion of a significant service contract in the prior period. We believe that our revenue will increase significantly during the remainder of 2012 based upon our specific marketing efforts, licensing agreements and "word of mouth" from satisfied users of our platform; however, there can be no assurance that this expected revenue increase will occur.

Our total operating expenses for the three months ended June 30, 2012 of $554,818 increased 29% from the comparable period in 2011, as a result of our expanding operations and the costs associated with the Merger and related SEC filings and compliance being mostly offset by continued capitalization of our platform development efforts. Salary expenses for the three months ended June 30, 2012 of $306,680 represent an increase of approximately 77% over the comparable period in 2011 due to the addition of employees and consultants needed for the expansion of our operations. Research and development and administrative expenses of $174,239 for the three months ended June 30, 2012 represent an increase of 88% over the comparable period in 2011 primarily due to an increase in stock based compensation as a result of more options being issued and consulting expense for the technical expertise needed for the development of our platform. Amortization and depreciation expenses for the three months ended June 30, 2012 was $237,775 and $13,500, respectively, compared to $158,781 and $5,817 for the prior year period. We expect that our general and administrative expenses will continue to increase in future periods as our business expands.

Our total operating expenses for the six months ended June 30, 2012 of $1,206,027 increased 35% from the comparable period in 2011, as a result of our expanding operations and the costs associated with the Merger and related SEC filings and compliance being mostly offset by continued capitalization of our platform development efforts. Salary expenses for the first six months of 2012 of $593,660 represent an increase of approximately 106% over the comparable period in 2011 due to the addition of employees and consultants needed for the expansion of our operations. Research and development and administrative expenses of $422,075 for the six months ended June 30, 2012 represent an increase of 111% over the comparable period in 2011, primarily due to increases in professional fees relating to the Merger and public company compliance, stock-based compensation expense as a result of more options being issued, and consulting expense for the technical expertise needed to further the development of our platform. Amortization and depreciation expenses for the six months ended June 30, 2012 was $462,869 and $27,055, respectively, compared to $383,874 and $19,371for the prior year period. We expect that our general and administrative expenses will continue to increase in future periods as our business expands

We had no interest expense during the first three and six months of 2012 as compared to $109,930 in the first quarter of 2011 and $113 for the second quarter, as all of our notes payable were converted to equity in mid-2011.

The net loss for the three months ended June 30, 2012 was $531,368 compared with a net loss of $376,947 for the second quarter of 2011, an increase of 41.0% $(154,421). The net loss for the six months ended June 30, 2012 was $1,173,200 compared with a net loss of $855,836 for the second quarter of 2011, an increase of 37.0% $(317,364). The net loss increase for the 2012 period is due principally to increased costs of expanding operations of our development stage company as well as costs relating to the Merger and our status as an active public company.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate sufficient cash to satisfy its needs for operations. At June 30, 2012, we had negative working capital of $988,484 as compared to negative working capital of $497,760 at December 31,

2011. Our increase of negative working capital of approximately 99% is primarily attributable to decreases in cash and increases in accrued expenses and working capital loans.

Our current assets at June 30, 2012, included cash, accounts receivable and prepaid expenses and other current assets. Our current liabilities at June 30, 2012, included accounts payable, accrued expenses representing accrued interest, professional fees and vacation expense, amounts owed to shareholders for working capital loans and deferred revenue and rent.

Net cash used in operating activities was $901,076 for the six months ended June 30, 2012, as compared to net cash used by operating activities of approximately $392,781 for the six months ended June 30, 2011. In the first half of 2012 cash was used as follows:

- non-cash operating expenses of approximately $545,334, and
- a decrease in working capital of approximately $273,211, offset by a
- net loss of approximately $1,173,200.

In the first half of 2011 cash was used as follows:

- non-cash operating expenses of approximately $403,246, and
- a decrease in working capital of approximately $59,809, offset by a
- net loss of approximately $855,835.

For the period from July 28, 2009 (inception) to June 30, 2012 cash was used as follows:

- non-cash operating expenses of $2,467,815, and
- an increase in working capital of approximately $992,286 offset by a
- net loss was approximately $8,081,217.

Net cash used in investing activities was approximately $449,631for the six months ended June 30, 2012 as compared to net cash used of $60,989 for the six months ended June 30, 2011 and $4,621,116 for the period from July 28, 2009 (inception) to June 30, 2012, which primarily reflects our website development investments, acquisition of our subsidiary offset by the purchase of additional equipment in the prior period.

Net cash provided by financing activities for the six months ended June 30, 2012 was approximately $1,230,066 as compared to $451,026 for the six months ended June 30, 2011, which primarily reflects proceeds from the private sale of our securities and from notes payable to related parties offset by repayments to notes payable to related parties and stock issuance costs in the prior period. Net cash provided by financing activities for the period from July 28, 2009 (inception) to June 30, 2012, was approximately $7,976,511 and reflects proceeds from the sale of securities and proceeds from notes payable.

We do not have any commitments for capital expenditures during the next 12 months nor do we have any committed external sources of capital. Our working capital is not sufficient to fund our operations and permit us to satisfy our obligations as they become due. While we raised approximately $371,000 in net proceeds from the sale of our securities subsequent to June 30, 2012, we have continued to expand our business and our expenses are increasing despite our focused cost-control efforts. In addition, our executive officers have been deferring substantially all of their salary to date. Even if we are successful in substantially increasing our revenues from expected sales, we will still need to raise substantial additional working capital. We do not have any firm commitments to provide the additional capital which is needed and there are no assurances that we will be able to secure capital on terms acceptable to us, if at all. Our ability to significantly increase our revenues and successfully raise additional working capital is key to our ability to continue as a going concern. If we are not successful in both of these efforts, we may be forced to significantly curtail or cease our operations.

Plan of Operation

Trunity has developed a cloud-based knowledge management and sharing platform that focuses on the rapidly growing e-learning, virtual textbook, customer experience and education marketplaces. As a result of the platform's innovative architecture, Trunity enables unique real-time/end-to-end integration of knowledge and learning ecosystems, including (but not limited to) peer-reviewed crowdsourcing of high-value content from communities of expert contributors (today over 4,000 of the world's top scientists use the Trunity platform and we have been growing at over 200 per month) that gets assembled into virtual textbooks (Trunity Knowledge) and delivered through Trunity's virtual classroom solution (Trunity Learn) to customers. Trunity has been the recipient of funding from several National Science Foundation (NSF) grants to develop this disruptive solution and is partnered with National Science Foundation (NSF), The National Academy's of Science (NAS), The Encyclopedia of the Earth and the National Council for Science and the Environment (NCSE) as core content contributors and customers. We believe there is a substantial market opportunity of more than 250 million potential users of our platform due to its proven ease of use, searchability of ideas, thoughts and research, and ability to archive and organize data in a sophisticated and easy to use format.

Trunity recently signed a licensing agreement with Global Social Ventures, a U.S. and India venture investment group, to market and resell the Trunity Platform for the territories of India, Pakistan, Burma, Nepal, Bangladesh and Sri Lanka, collectively known as "Trunity India". The royalty license fee charged by Trunity to Global Social Ventures is 7.5% of gross revenue, with a minimum guaranteed 5-year royalty payment of $385,000. In addition, Global Social Ventures is responsible for the server and support infrastructure costs for Trunity India. As India and its neighboring countries contain a population of over 1 billion people, largely English speaking, this represents a very large and emerging market for Trunity.

The New Hampshire's EPSCoR (Office of Experimental Program to Stimulate Competitive Research) program at University of New Hampshire selected and signed a contract to use Trunity as their platform of choice for collaboration and content sharing. As part of this contract, Trunity is providing a secure, cloud-based collaboration space for hundreds of scientists, educators, students, and administrators from the NH K-12, higher ed, non profit and private sectors. The Trunity platform will be a shared collaboration tool amongst several prominent New Hampshire colleges. According to the EPSCoR director, UNH is in year one of a 5-year National Science Foundation (NSF) grant. Trunity's contract value for the 5 year term is estimated at $150,000 for licensing fees as well as additional fees for professional services to support their platform during this period.

Lastly, Trunity has added a major new content partner to its network of over 90 current expert content partners. This partner has given permission to import all of its library of over 500,000 high quality expert reviewed content items for use within Trunity's virtual textbooks and other education and training solutions. Trunity continues to add about 100 new author sign-ups per month through its Encyclopedia of Earth, CAMEL and other expert content properties. Trunity's virtual textbook solution is nearing 6 months of testing, and will be deployed at the university level in the fall 2012 semester, led by Boston University with over 200 students purchasing a Trunity textbook in a single class. The average introductory textbook price will be $40-$50 per book per student for this class.

Inflation

In the opinion of management, inflation has not and will not have a material effect on our operations in the immediate future. Management will continue to monitor inflation and evaluate the possible future effects of inflation on our business and operations.

Critical Accounting Policies

Website Development

We have adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification No. 350 *Intangible-Goodwill and Other* . Costs incurred in the planning stage of a website are expensed, while costs incurred in the development stage are capitalized and amortized over the estimated three year life of the asset.

Stock-Based Compensation

We recognize compensation costs to employees under FASB Accounting Standards Codification No. 718, *Compensation - Stock Compensation* . Under FASB Accounting Standards Codification No. 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options, restricted share plans, performance based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Equity instruments issued to other than employees are recorded on the basis of the fair value of the instruments, as required by FASB Accounting Standards Codification No. 505, *Equity Based Payments to Non-Employees.* In general, the measurement date is when either a (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

Recent Accounting Pronouncements

The recent accounting standards that have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

Off-balance Sheet Arrangements

As of the date of this report, we do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors. The term “off-balance sheet arrangement” generally means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with us is a party, under which we have any obligation arising under a guarantee contract, derivative instrument or variable interest or a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

This item is not required for a smaller reporting company.

Item 4(T). Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. Disclosure and control procedures are also designed to ensure that such information is accumulated and communicated to management, including the chief executive officer and principal accounting officer, to allow timely decisions regarding required disclosures.

As of the end of the period covered by this quarterly report, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and principal accounting officer, of the effectiveness of the design and operation of our disclosure controls and procedures. In designing and evaluating the disclosure controls and procedures, management recognizes that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their desired control objectives. Additionally, in evaluating and implementing possible controls and procedures, management is required to apply its reasonable judgment. Based on the evaluation described above, our management, including our principal executive officer and principal accounting officer, concluded that, as of June 30, 2012, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting. Management has evaluated whether any change in our internal control over financial reporting occurred during the first and second quarter of fiscal 2012. Based on its evaluation, management, including the chief executive officer and principal accounting officer, has concluded that there has been no change in our internal control over financial reporting during the first and second quarter of fiscal 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. **Legal Proceedings**

There are no material pending legal proceedings to which we are a party or to which any of our property is subject and, to the best of our knowledge, no such actions against us are contemplated or threatened, except:

In February 2012, Trunity and our CEO Terry Anderton were served with a complaint filed by an ex-Trunity, Inc., employee, William Horn, in the Nashua, New Hampshire, Superior Court. The plaintiff served as Executive Vice President of Marketing & Business Development from March until August 2011 at an annual salary of $100,000. He asserts whistleblower status and alleges that he was wrongfully terminated because of his allegations that the Company had violated securities, tax and employment laws. The complaint seeks unspecified damages under the New Hampshire Whistleblower Act and common law, including reinstatement, back pay and attorney’s fees and costs. In May 2012, we responded to the complaint by denying all material allegations and filing a counterclaim against the plaintiff for breach of contract, tortuous interference with contractual and business relations, breach of fiduciary duty and violation of the Uniform Trade Secrets Act. Discovery has begun however no depositions have been taken to date. Based on the preliminary information available to us, we believe that the complaint is without merit and intend to vigorously defend the case and prosecute the counterclaim.

Item 1A. Risk Factors

This item is not required for a smaller reporting company.

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

In connection with the Merger, on January 24, 2012, we issued an aggregate of 33,231,037 shares of common stock to the stockholders of Trunity Inc. in exchange for their common shares at the ratio of one share of our common stock for each share of Trunity Inc. common stock.

During the first and second quarters of 2012, since the closing of the Merger, we have raised gross proceeds of $700,000 through the sale of 2,000,000 shares of common stock to accredited investors in a private placement at a price of $.35 per share. We incurred stock issuance costs of approximately $70,000 consisting primarily of commissions paid to broker-dealers who assisted with the offering. The net proceeds of this offering were used for working capital.

In July 2012, we issued CAD$190,300 principal amount of unsecured redeemable convertible debentures (the “Debentures”) in a private placement to Canadian investors. The Debentures are convertible at a conversion price of CAD$.35 per unit, with each unit consisting of one share of common stock and a two-year warrant to purchase one share of common stock at CAD$.40. We incurred issuance costs of approximately US$85,000 consisting primarily of legal fees and broker’s commissions. The net proceeds of this offering were used for working capital.

These issuances were made pursuant to an exemption from registration requirements under Regulation D and/or Section 4(2) of the Securities Act of 1933, as amended.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

This Item is not applicable to our company’s operations.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit 31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification of Principal Financial Officer and Principal Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.2	Certification of Principal Financial Officer and Principal Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document (furnished herewith)
101.SCH	XBRL Taxonomy Extension Schema Document (furnished herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (furnished herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (furnished herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (furnished herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (furnished herewith)

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.

TRUNITY HOLDINGS, INC.

Date: September 7, 2012 By: /s/ Terry Anderton
Terry Anderton,
Chief Executive Officer and Chief Financial Officer