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

FORM 10-Q

X QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
--- OF THE SECURITIES EXCHANGE ACT OF 1934

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES ACT OF 1933

For Quarter Ended: February 29, 2008 Commission File Number 000-49908

CYTODYN, INC.

(Exact name of registrant as specified in its charter)

75-3056237	COLORADO
(I.R.S. Employer Identification No.)	State or other jurisdiction of incorporation organization

1511 Third Street, Santa Fe,	87505
(Address of principal executive offices)	(Zip code)

(Registrant's telephone number, including area code) (505) 988-5520

(Former address, changed sine last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 No X
--- ---

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 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 No X
--- ---

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

Large Accelerated Filer ___ Accelerated Filer ___

Non-accelerated Filer ___ Smaller Reporting Company _X_

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No X
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On October 21, 2009, there were 19,154,216 shares outstanding of the registrant's no par common stock.

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CytoDyn, Inc.
(A Development Stage Company)
Condensed Balance Sheet

<S>	February 29, 2008 (unaudited) <C>	May 31, 2007 (audited) <C>
Assets		
Current Assets:		
Cash	$ --	$ 16,604
Prepaid insurance	11,176	43,254
Prepaid license fees	7,500	50,000
Total current assets	18,676	109,858
Furniture and equipment, net	1,718	2,611
Intangible assets, net	768	1,294
Other Assets	39,375	495
	$ 60,537	$ 114,258
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable	$ 281,228	$ 239,572
Accrued liabilities	247,051	193,600
Short Term Portion of Commitment and Contingencies	50,000	--
Convertible notes payable, net	--	14,385
Accrued interest payable	33,420	10,216
Indebtedness to related parties	--	455,701
Short-term portion of notes payable	--	125,000
Total current liabilities	611,699	1,038,474
Notes payable	295,000	--
Convertible notes payable, net	20,695	--
Indebtedness to related parties	437,401	--
Accrued legal costs	25,000	--
Commitments and contingencies	--	150,000
Total liabilities	1,389,795	1,188,474
Shareholders' deficit:		
Preferred stock, no par value; 5,000,000 shares authorized, 100,000 shares issued and outstanding	167,500	167,500

Common stock, no par value; 25,000,000 shares authorized, 11,904,407 and 11,297,264 shares issued and outstanding at February 29, 2008 and May 31, 2007 respectively	4,147,865	4,172,865
Stock for services	(16,521)	(106,521)
Additional paid-in capital	2,482,785	2,072,993
Less: subscription receivable	(25,000)	--
Accumulated deficit on unrelated dormant operations	(1,601,912)	(1,601,912)
Deficit accumulated during development stage	(6,483,975)	(5,779,141)
Total shareholders' deficit	(1,329,258)	(1,074,216)
	$ 60,537	$ 114,258

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See accompanying notes to condensed consolidated unaudited financial statements

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CytoDyn, Inc.
(A Development Stage Company)
Condensed Statement of Operations
Unaudited

	Three Months Ended		Nine Months Ended		October 28, 2003 through
	February 29, 2008	February 28, 2007	February 29, 2008	February 28, 2007	February 29, 2008
<S>	<C>	<C>	<C>	<C>	<C>
Operating expenses:					
General and administrative	$ 142,037	$ 418,469	$ 583,064	$ 1,304,592	$ 4,307,483
Amortization / depreciation	416	816	1,418	124,281	173,578
Research and development	--	52,909	--	374,650	797,340
Legal fees	11,708	79,540	191,565	132,081	511,060
Commitments and contingencies	--	--	(150,000)	--	--
Total operating expenses	154,161	551,734	626,047	1,935,604	5,789,461
Operating loss	(154,161)	(551,734)	(626,047)	(1,935,604)	(5,789,461)
Interest income	--	26	--	946	1,627
Interest expense:					
Interest on convertible debt	(41,774)	(7,622)	(52,809)	(140,258)	(670,163)
Other	(24,172)	--	(25,978)	--	(25,978)
Loss before income taxes	(220,107)	(559,330)	(704,834)	(2,074,916)	(6,483,975)
Income tax provision	--	--	--	--	--
Net loss	$ (220,107)	$ (559,330)	$ (704,834)	$ (2,074,916)	$ (6,483,975)
Basic and diluted loss per share	$ (0.02)	$ (0.05)	$ (0.06)	$ (0.19)	$ (0.70)
Basic and diluted weighted average common shares outstanding	11,011,550	11,281,597	11,178,390	10,895,897	9,238,703

See accompanying notes to condensed consolidated unaudited financial statements
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CytoDyn, Inc.
(A Development Stage Company)
Condensed Statement of Changes in Shareholders' Deficit
October 28, 2003 through February 29, 2008

	Preferred Stock		Common Stock		Stock for Prepaid Services	Additional Paid-in Capital	Stock Subscription Receivable	Accumulated Deficit	Deficit Accumulated During Development Stage	Total
	Shares	Amount	Shares	Amount						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at October 28, 2003, following recapitalization	--	$ --	6,252,640	$1,425,334	$ --	$ 23,502	$ --	$(1,594,042)	$ --	$ (145,206)
February through April 2004, sale of common stock less offering costs of $54,000 ($.30/share)	--	--	1,800,000	486,000	--	--	--	--	--	486,000

February 2004, shares issued to former officer as payment for working capital advance ($.30/share)	--	--	16,667	5,000	--	--	--	--	--	5,000
Net loss at year ended May 31, 2004	--	--	--	--	--	--	--	(7,870)	(338,044)	(345,914)
Balance at May 31, 2004	--	--	8,069,307	1,916,334	--	23,502	--	(1,601,912)	(338,044)	(120)
July 2004, capital contribution by an officer	--	--	--	--	--	512	--	--	--	512
November 2004, common stock warrants granted	--	--	--	--	--	11,928	--	--	--	11,928
February 2005, capital contribution by an officer	--	--	--	--	--	5,000	--	--	--	5,000
Net loss at year ended May 31, 2005	--	--	--	--	--	--	--	--	(777,083)	(777,083)
Balance at May 31, 2005	--	--	8,069,307	1,916,334	--	40,942	--	(1,601,912)	(1,115,127)	(759,763)

See accompanying notes to condensed consolidated unaudited financial statements

CytoDyn, Inc.
(A Development Stage Company)
Condensed Statement of Changes in Shareholders' Deficit
October 28, 2003 through February 29, 2008

	Preferred Stock		Common Stock		Stock for Prepaid Services	Additional Paid-in Capital	Stock Subscription Receivable	Accumulated Deficit	Deficit Accumulated During Development Stage	Total
	Shares	Amount	Shares	Amount						
June through July 2005, sale of common stock less offering costs of $27,867 ($.75/share)	--	--	289,890	189,550	--	--	--	--	--	189,550
August 2005, common shares issued to extinguish promissory notes payable and related interest ($.75/share)	--	--	160,110	120,082	--	--	--	--	--	120,082
May 2006, common shares issued to extinguish convertible debt	--	--	350,000	437,500	--	--	--	--	--	437,500
November 2005, 94,500 warrants exercised ($.30/share)	--	--	94,500	28,350	--	--	--	--	--	28,350
January through April 2006, common shares issued for prepaid services	--	--	183,857	370,750	(370,750)	--	--	--	--	--
Amortization of prepaid stock services	--	--	--	--	103,690	--	--	--	--	103,690
January through June 2006, warrants issued with convertible debt	--	--	--	--	--	274,950	--	--	--	274,950
January through										

May 2006, beneficial conversion feature of convertible debt	--	--	--	--	--	234,550	--	--	--	234,550

See accompanying notes to condensed consolidated unaudited financial statements

CytoDyn, Inc.
(A Development Stage Company)
Condensed Statement of Changes in Shareholders' Deficit
October 28, 2003 through February 29, 2008

	Preferred Stock		Common Stock		Stock for Prepaid	Additional Paid-in	Stock Subscription	Accumulated	Deficit Accumulated During Development	
	Shares	Amount	Shares	Amount	Services	Capital	Receivable	Deficit	Stage	Total
March through May 2006, stock options granted to consultants	--	--	--	--	--	687,726	--	--	--	687,726
March 2006, stock options issued to extinguish debt	--	--	--	--	--	86,341	--	--	--	86,341
Net loss at year ended May 31, 2006	--	--	--	--	--	--	--	--	(2,053,944)	(2,053,944)
Balance at May 31, 2006	--	--	9,147,664	3,062,566	(267,060)	1,324,509	--	(1,601,912)	(3,169,071)	(650,968)
Common stock issued to extinguish convertible debt	--	--	119,600	149,500	--	--	--	--	--	149,500
Convertible debt stock issued for AITI acquisition	--	--	2,000,000	934,399	--	--	--	--	--	934,399
Amortization of prepaid stock services	--	--	--	--	267,060	--	--	--	--	267,060
Common stock payable for prepaid services	--	--	--	--	(106,521)	120,000	--	--	--	13,479
Stock-based compensation	--	--	--	--	--	535,984	--	--	--	535,984
Warrants issued with convertible debt	--	--	--	--	--	92,500	--	--	--	92,500
Common stock issued for services	--	--	30,000	26,400	--	--	--	--	--	26,400
Preferred shares issued AGTI	100,000	167,500	--	--	--	--	--	--	--	167,500

See accompanying notes to condensed consolidated unaudited financial statements

CytoDyn, Inc.
(A Development Stage Company)
Condensed Statement of Changes in Shareholders' Deficit
October 28, 2003 through February 29, 2008

	Preferred Stock		Common Stock		Stock for Prepaid	Additional Paid-in	Stock Subscription	Accumulated	Deficit Accumulated During Development	
	Shares	Amount	Shares	Amount	Services	Capital	Receivable	Deficit	Stage	Total
Net loss, May 31, 2007	--	--	--	--	--	--	--	--	(2,610,070)	(2,610,070)
Balance at May 31, 2007	100,000	167,500	11,297,264	4,172,865	(106,521)	2,072,993	--	(1,601,912)	(5,779,141)	(1,074,216)
Amortization of prepaid stock for services										

(unaudited)	--	--	--	--	90,000	--	--	--	--	90,000
Stock based compensation (unaudited)	--	--	--	--	--	356,130	--	--	--	356,130
Common stock issued to extinguish convertible debt (unaudited)	--	--	750,000	75,000	--	--	(25,000)	--	--	50,000
Rescission of common stock issued for services	--	--	(142,857)	(100,000)	--	--	--	--	--	(100,000)
Original issue discount convertible debt with warrants (unaudited)	--	--	--	--	--	3,662	--	--	--	3,662
Original issue discount convertible debt with beneficial conversion feature (unaudited)	--	--	--	--	--	50,000	--	--	--	50,000
Net loss (unaudited)	--	--	--	--	--	--	--	--	(704,834)	(704,834)
Balance at February 29, 2008 (unaudited)	100,000	$167,500	11,904,407	$4,147,865	$ (16,521)	$2,482,785	$ (25,000)	$(1,601,912)	$(6,483,975)	$(1,329,258)

See accompanying notes to condensed consolidated unaudited financial statements

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CytoDyn, Inc.
(A Development Stage Company)
Condensed Statement of Cash Flows
Unaudited

	Nine Months Ended		October 28, 2003 through
	Feruary 29, 2008	Feruary 28, 2007	February 29, 2008
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net loss	$ (704,834)	$(2,074,916)	$(6,483,975)
Adjustments to reconcile net loss to net cash used by operating activities:			
Amortization / depreciation	1,419	124,281	173,578
Amortization of original issue discount	50,972	136,241	652,356
Reversal of contingent liability	(150,000)	--	--
Purchased in process research and development	--	274,399	274,399
Stock-based compensation	346,130	694,089	1,993,683
Changes in current assets and liabilities:			
Decrease in prepaid expenses	74,578	30,019	(8,051)
Decrease in deposits	(38,880)	--	--
Increase in accounts payable, accrued interest and accrued liabilities	193,311	27,368	636,699
Net cash used in operating activities	(227,304)	(788,519)	(2,761,311)
Cashflows from investing activities:			
Furniture and equipment purchases	--	(3,345)	(10,764)
Net cash used in investing activities	--	(3,345)	(10,764)
Cash flows from financing activities:			
Capital contributions by president	--	--	5,512
Proceeds from notes payable to related parties	2,000	62,341	549,849
Payments on notes payable to related parties	(20,300)	--	(58,624)
Proceeds from notes payable issued to individuals	170,000	--	295,000
Proceeds from notes payable from convertible notes	59,000	92,500	661,000
Proceeds from the sale of common stock	--	--	757,417
Payments for offering costs	--	--	(81,867)
Proceeds from issuance of stock for AITI acquisition	--	512,200	512,200
Proceeds from issuance of stock for AGTI acquisition	--	100,000	100,000
Proceeds from exercise of warrants	--	--	28,350
Net cash provided by financing activities	210,700	767,041	2,768,837

Net change in cash	(16,604)	(24,823)	(3,238)
Cash, beginning of period	16,604	125,320	3,238
Cash, end of period	$ --	$ 100,497	$ --
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Income taxes	$ --	$ --	$ --
Interest	$ --	$ --	$ 1,126

See accompanying notes to condensed consolidated unaudited financial statements

CytoDyn, Inc.
(A Development Stage Company)
Condensed Statement of Cash Flows
Unaudited

	Nine Months Ended		October 28, 2003 through
	Feruary 29, 2008	Feruary 28, 2007	February 29, 2008
Non-cash investing and financing transactions:			
Net assets acquired in exchange for common stock in CytoDyn/Rexray business combination	$ --	$ --	$ 7,542
Common stock issued to former officer to repay working capital advance	$ --	$ --	$ 5,000
Common stock issued for convertible debt	$ 75,000	$ 149,500	$ 662,000
Common stock issued for debt	$ --	$ --	$ 120,082
Options to purchase common stock issued for debt	$ --	$ --	$ 62,341
Original issue discount and intrinsic value of beneficial conversion feature related to debt issued with warrants	$ 53,662	$ 92,500	$ 655,662

On July 18, 2006 the company issued 2,000,000 shares of unregistered restricted common stock for 1,000 shares of AITI common stock. The acquistion was accounted for as an asset purchase (See Note 4). The company acquired a prepaid sponsored research project for $162,800, a license agreement for $150,000, and acquired $109,399 in expenses associated with the license agreement and cash of $512,200. The license agreement and associated expenses have been recorded as in process research and development expenses on the accompanying financial statements.

On July 16, 2007, the Company cancelled the issuance of 142,857 shares of restricted common stock previously issued to a consultation firm. In conjunction with the cancellation, the Company reduced stock compensation expense and common stock by $100,000, which was the value of the shares on the date of cancellation.

On January 30, 2007, the company issued 100,000 preferred shares of unregsitered stock for 1,000 shares of AGTI common stock. The company acquired a prepaid license fee for seven years for $52,500 and $15,000 in expense associated with the license agreement

See accompanying notes to condensed consolidated unaudited financial statements
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CYTODYN, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF FEBRUARY 29, 2008
(UNAUDITED)

1 - Organization:

CytoDyn, Inc, (the "Company") was incorporated under the laws of Colorado on May 2, 2002 under the name Rexray Corporation ("Rexray"). The Company entered the development stage effective October 28, 2003 upon a reverse merger and a recapitalization of the company and follows Statements of Financial Accounting Standards No. 7, "Accounting and Reporting by Development Stage Enterprises" (SFAS No. 7). On October 27, 2003, Rexray changed its name to CytoDyn, Inc.

Advanced Influenza Technologies, Inc. ("AITI") was incorporated under the laws of Florida on June 9, 2006. Advanced Genetic Technologies, Inc. ("AGTI") was incorporated under the laws of Florida on December 18, 2006.

CytoDyn, Inc. discovered and is developing a class of therapeutic monoclonal antibodies to address significant unmet medical needs in the areas of HIV and AIDS.

2 - Summary of Significant Accounting Policies:

Basis of Presentation - The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and reflect all adjustments, consisting solely of normal recurring adjustments, needed to fairly present the financial results for these periods. The condensed consolidated financial statements and notes are presented as permitted by Form 10-Q. Accordingly, certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted. The accompanying consolidated financial statements should be read in conjunction with the financial statements for the years ended May 31, 2007 and 2006 and notes thereto in the Company's annual report on Form 10-KSB for the year ended May 31, 2007, filed with the Securities and Exchange Commission on August 30, 2007. Operating results for the three and nine months ended February 29, 2008 are not necessarily indicative of the results that may be expected for the entire year. In the opinion of management, all adjustments consisting only of normal recurring adjustments necessary for a fair statement of (a) the results of operations for the three and nine month periods ended February 29, 2008 and the period October 28, 2003 through February 29, 2008, (b) the financial position at February 29, 2008, and (c) cash flows for the nine month periods ended February 29, 2008 and February 28, 2007 and the period October 28, 2003 through February 29, 2008, have been made.

Principles of Consolidation

The consolidated financials statements include the accounts of CytoDyn, Inc. and its wholly owned subsidiaries; AITI and AIGI All intercompany transactions and balances are eliminated in consolidation.

Going Concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements, the Company is currently in the development stage with losses for all periods presented. As of October 21, 2009, these factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional operating capital, complete development of its medical treatment, obtain FDA approval, outsource manufacturing of the treatment, and ultimately to attain profitability. The Company intends to seek additional funding through equity offerings to fund its business plan. There is no assurance that the Company will be successful in these endeavors.

Use of Estimates

The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with original maturities of three months or less when acquired to be cash equivalents. The Company had no cash equivalents as of February 29, 2008 or May 31, 2007. The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Furniture, Equipment and Depreciation -

Furniture and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally three to seven years. Maintenance and repairs are charged to expense as incurred and major improvements or betterments are capitalized. Gains or losses on sales or retirements are included in the consolidated statements of operations in the year of disposition.

Impairment of Long-Lived Assets - The Company evaluates the carrying value of any long-lived assets under the provisions of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell. There were no impairment charges for the three and nine months ended February 29, 2008 and February 28, 2007, and for the period October 28, 2003 through February 29, 2008.

Research and Development

Research and development costs are expensed as incurred.

Financial Instruments

At February 29, 2008 and May 31, 2007, the carrying value of the Company's financial instruments approximate fair value due to the short-term maturity of the instruments.

Stock-Based Compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (Revised 2004), "Share-Based Payments" ("SFAS No. 123R"). SFAS No. 123R requires companies to measure the cost of employee services received in exchange for the award of equity instruments based on the fair value of the award at the date of grant. The expense is to be recognized over the period during which an employee is required to provide services in exchange for the award. SFAS No. 123R is effective as of the beginning of the first interim or annual reporting period that begins after December 15, 2005 and, accordingly, the Company adopted this standard on June 1, 2006.

SFAS No. 123R provides for two transition methods. The "modified prospective" method requires that share-based compensation expense be recorded for any employee options granted after the adoption date and for the unvested portion of any employee options outstanding as of the adoption date. The "modified retrospective" method requires that, beginning June 1, 2006, all prior periods presented be restated to reflect the impact of share-based compensation expense consistent with the pro forma disclosures previously required under SFAS No. 123.

The Company adopted the modified prospective application of SFAS No. 123R effective June 1, 2006 and, as a result, was not required to restate its financial results for prior periods. Prior to June 1, 2006, the Company had adopted SFAS No. 123, "Accounting for Stock-Based Compensation." As provided for by SFAS No. 123, the Company had elected to continue to account for its stock-based compensation programs according to the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB No. 25). Accordingly, compensation expense had been recognized to the extent of employee or director services rendered based on the intrinsic value of stock options granted under the plan. The Company accounted for common stock, stock options, and warrants granted to non-employees based on the fair market value of the instrument using the Black-Scholes option pricing model based on assumptions for expected stock price volatility, term of the option, risk-free interest rate, and expected dividend yield at the grant date. For all awards granted prior to June 1, 2006, the unearned deferred fair value of stock-based compensation was recognized as an expense on a straight-line basis over the remaining requisite service period, ranging from three months to four years. Effective June 1, 2006, the estimated fair value of options and warrants granted is determined in accordance with SFAS No. 123R on the date of grant using the Black-Scholes option valuation model with the following weighted-average assumptions. Risk free interest rate of 3.0%; dividend yield 0%; volatility 70%; and expected life of 5.5 years. The risk-free interest rate assumption is based upon observed interest rates appropriate for the expected term of the stock options. The expected volatility is based on the historical volatility of the Company's common stock. The Company has not paid any dividends on its common stock since its inception and does not anticipate paying dividends on its common stock in the foreseeable future. The computation of the expected option term is based on the "simplified method" as the Company's stock options are "plain

vanilla" options and the Company has a limited history of exercise data. For common stock options and warrants with graded vesting, the Company recognizes the related compensation costs associated with these options and warrants on a straight-line basis over the requisite service period.

SFAS No. 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Based on limited historical experience of forfeitures, the Company estimated future unvested option forfeitures at 0% as of February 29, 2008 and February 28, 2007. Net cash proceeds from the exercise of stock options and warrants were $0 for the three and nine months ended February 29, 2008 and February 28, 2007. Compensation expense related to stock options was approximately $105,000, $356,000, $124,000, $411,000 and $891,000 for the three and nine month periods ended February 29, 2008, and 2007 and for the period October 28, 2003 through February 29, 2008, respectively. As of February 29, 2008, there was approximately $688,340 of unrecognized compensation costs related to share -based payments for unvested options, which is expected to be recognized over a weighted average period of 2.01 years.

The following table represents stock option and warrants activity as of and for the nine months ended February 29, 2008:

	Number of shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options and warrants outstanding - May 31, 2007	2,047,022	$ 1.61	$ 6.69	$ 204,200
Granted	859,000	$ 0.69		
Exercised	--	--	--	--
Forfeited/expired/cancelled	--	--	--	--
Options and warrants outstanding	2,906,222	$ 1.34	$ 6.95	--
Outstanding exercisable - February 29, 2008	1,997,170	$ 1.50	$ 5.92	--

The total average grant date fair value of options and warrants during the nine months ended February 29, 2008 and February 28, 2007 was $0.69 and $1.03, respectively. The fair value of options vested during the nine months period ended February 29, 2008 and February 28, 2007 was approximately $225,000 and $403,000, respectively.

Stock Issued for Services
- -------------------------
During the year ended May 31, 2006, the Company issued common stock for certain services to a public relations company and a technology company. The Company recorded into additional paid-in capital the fair value of the common stock issued based on the quoted market price of the Company's common stock at the date of the respective agreements with the above parties. A contra-equity was recorded for the above services, which is being amortized into compensation expense and additional paid-in capital over the requisite service period of the agreements. During the three months ended February 29, 2008 and February 28, 2007 and nine months ended February 29, 2008 and February 28, 2007 and for the period October 28, 2003 through February 29, 2008, approximately $30,000, $67,000, $90,000, $257,000, and $374,000 was recognized as compensation expense related to these agreements, respectively. As of February 29, 2008, the unamortized portion of the stock for services was $16,521.

On July 16, 2007, the Company cancelled 142,857 shares of restricted common stock, which had previously been issued for services to be rendered by a consultation company. The expense associated with the original issuance had previously been amortized as compensation expense over the requisite life of the agreement. In conjunction with the cancellation, the Company has reduced compensation expense by $100,000 for the period for non-performance under the contract, which represented the fair market value of the common stock on the date of cancellation.

Earnings (Loss) per Common Share
- --------------------------------
Basic earnings (loss) per share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average common shares and potentially dilutive common share equivalents. The effects of potential common stock equivalents are not included in computations when their effect is antidilutive. Because of the net loss for the three and nine month periods ended February 29, 2008 and February 28, 2007, the basic and diluted weighted average shares outstanding are the same since including the additional shares would have an antidilutive effect on the loss per share calculation. Common stock option and warrants to purchase 2,906,222 and 2,047,222 shares of common stock were not included in the computation of basic and diluted weighted average common shares outstanding for the three and nine months ended February 29, 2008 respectively. Additionally, convertible preferred stock that could convert into 4,333,333 shares of common stock were not included in the computation of basic and diluted weighted average common shares for the above periods as the effect would be antidilutive.

Reclassification - Certain prior period amounts have been reclassified to comply with current period presentation.

3 - Recent Accounting Pronouncements: In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and all interim periods within those fiscal years. In February 2008, the FASB released FASB Staff Position (FSP FAS 157-2 - "Effective Date of FASB Statement No. 157"), which delays the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis (at least annually) to fiscal years beginning after November 15, 2007 and interim periods within those financial years. The implementation of SFAS No. 157 for financial assets and liabilities, effective January 1, 2008, did not have an impact on the Company's financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS No. 159 permits entities to choose to measure on an item by item basis, specified financial instruments and certain other items at fair value. Unrealized gains and losses on items for which the fair value option has been elected are required to be reported in earnings at each reporting date. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007, the provisions of which are required to be applied prospectively. The Company adopted this statement as of January 1, 2008 and has elected not to apply the fair value option to any of its financial instruments.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), "Business Combinations," which replaces SFAS No. 141. The statement retains the purchase method of accounting for acquisitions, but requires a number of changes, including changes in the way the assets and liabilities are recognized in the purchase accounting. It also changes the recognition of assets acquired and liabilities assuming arising from contingencies, requires the capitalization of in-process research and development at fair value, and requires the expensing of acquisition related costs as incurred. SFAS No. 141R is effective for business combinations on or after December 15, 2008. The adoption of SFAS No. 141R is not expected to have a material effect on the Company's financial position, results of operations, or cash flows.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements and Amendment of ARB No. 51." SFAS No. 160 establishes accounting and reporting standards pertaining to ownership interests in subsidiaries held by parties other than the parent, the amount of net income attributable to the parent and to the controlling interest, changes in a parent's ownership interest, and the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. This statement also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008. The adoption of SFAS No. 160 is not currently expected to have a material effect on the Company's financial position, results of operations, or cash flows.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities." The new standard is intended to improve financial reporting about derivative instruments and hedging activities by required enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company is currently evaluating the impact of adoption of SFAS No. 161 on its consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events," which provides guidance to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS No. 165 also requires entities to disclose the date through which subsequent events were evaluated, as well as the rationale for why that date was selected. SFAS Mo. 165 is effective for interim and annual periods ending after June 15, 2009. SFAS No. 165 is effective for the Company during its interim period ending August 31, 2009. The Company does not believe the adoption of SFAS No. 165 will have a material effect on its financial condition, results of operations, and disclosures.

In June 2009, the FASB issued SFAS No. 166 "Accounting for Transfers of Financial Assets--an amendment of FASB Statement No. 140" ("SFAS 166"). SFAS 166 improves the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. SFAS 166 is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. The Company is evaluating the impact the adoption of SFAS 166 will have on its financial statements.

In June 2009, the FASB issued SFAS No. 167 "Amendments to FASB Interpretation No. 46(R)" ("SFAS 167"). SFAS 167 improves financial reporting by enterprises involved with variable interest entities and to address (1) the effects on certain provisions of FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities", as a result of the elimination of the qualifying special-purpose entity concept in SFAS 166 and (2) constituent concerns about the application of certain key provisions of Interpretation 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. SFAS 167 is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. The Company is evaluating the impact the adoption of SFAS 167 will have on its financial statements.

In June 2009, the FASB issued SFAS No. 168 "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles--a replacement of FASB Statement No. 162". The FASB Accounting Standards Codification ("Codification") will be the single source of authoritative nongovernmental U.S. generally accepted accounting principles. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. SFAS 168 is effective for interim and annual periods ending after September 15, 2009. All existing accounting standards are superseded as described in SFAS 168. All other accounting literature not included in the Codification is nonauthoritative. The Codification is not expected to have a significant impact on the Company's financial statements.

Other recent accounting pronouncements issued by FASB (including EITF), the AICPA, and the SEC did not or are not believed by management to have a material impact on the Company's present or future financial statements.

4 - Acquisitions - On July 18, 2006, CytoDyn, Inc. entered into an acquisition agreement with UTEK Corporation to purchase all 1,000 issued and outstanding shares of Advanced Influenza Technologies, Inc. (AITI), a Florida Corporation, in exchange for 2,000,000 unregistered restricted common shares of CytoDyn, Inc. stock.

The transaction was accounted for as an asset purchase and not an acquisition of a business as AITI had no employees, operations, or customers, and was essentially a shell corporation that was incorporated to consummate the purchase. Pursuant to the agreement, the Company acquired $512,200 in cash and a prepaid sponsored research project of $162,800 from the University of Massachusetts to further the technology associated with certain acquired licenses. The $162,800 is being amortized into research and development expense as the services are provided. The Company valued the assets acquired based on the consideration received rather than the fair market value of the shares issued as the Company believes this was more indicative of the value of the

assets acquired. In addition to the cash and the prepaid sponsored research project, the Company acquired the worldwide nonexclusive and exclusive license agreements from the University of Massachusetts for certain technologies. The license agreements were recorded as research and development expense as the patent rights or license agreements are being used in a particular research project and have no alternative future use outside of this project. Including the license agreements, a total of $259,399 of in-process research and development was acquired related to the acquisition, which is included as a component of research and development expense for the period ended May 31, 2007. The license agreement grants the Company the exclusive right to develop and commercialize the licensed products associated with certain existing patents.

Milestone fees are payable to the University per licensed product and due within 30 days of the event of certain occurrences required.

The University shall also receive 4.0% royalties on net sales of the licensed products.

AITI agreed to fund a two-year ($325,600) unrestricted project ($162,800 per year) under the Sponsored Research Agreement, with the primary objective during the first year to conduct lab work to provide well documented research studies. If after one year the desired outcome is not achieved, the agreement can be cancelled and the second year's payment is not required. Included in the consolidated statements of operations is $162,800 of amortization expense for the period ended May 31, 2007 as all services related to the initial project were completed. The Company did not make the second payment and, consequently, as of February 29, 2008, the Company has no right to the above license agreement. Additionally, the milestone fee payable and royalties discussed above are no longer in force as of February 29, 2008. Corporate charter revoked in Florida.

On January 30, 2007, CytoDyn, Inc. entered into an acquisition agreement with UTEK Corporation, to acquire 100% of the outstanding stock of Advanced Genetic Technologies, Inc. (AGTI), a Florida Corporation, in exchange for 100,000 preferred no par value stock convertible into $1,300,000 worth of common unregistered restricted shares of CytoDyn, Inc. stock. The option to convert is any time after twelve (12) months and before thirty six (36) months from the date of closing of the agreement. The conversion option has a floor price of $.30 per share, which limits the maximum number of shares that the Company may issue upon conversion to 4,333,333 shares of common stock. There was no derivative liability or beneficial conversion feature associated with the conversion option.

AGTI holds the worldwide exclusive and nonexclusive license agreements from the CBR Institute for Biomedical Research affiliated with Harvard Medical School for certain biological materials.

The term of the licensing agreement is until the later of 20 years or the date the last patent expires that is owned or controlled by the Licensee.

Milestone fees are payable to the University per licensed product and due within 30 days of the event of certain occurrences required.

The University shall also receive 2.0% royalties of net sales of the licensed products up to $200 million and 3.0% royalties of net sales in excess of $200 million. In the case of a sublicense, the University would get 25% of non-royalty sublicense income.

The transaction was accounted for as an asset purchase and not an acquisition of a business as AGTI had no employees, operations, or customers, and was essentially a shell corporation that was incorporated to consummate the purchase. Pursuant to the agreement, the Company acquired $100,000 in cash and seven years of prepaid license fees to the Center for Biological Research at

Harvard Medical School. $52,500 was recorded as prepaid license fees and $15,000 was expensed as research and development. The Company valued the assets acquired based on the consideration received rather than the fair market value of the shares issued as the Company believes this was more indicative of the value of the assets acquired. In addition to the cash and the prepaid license fees, the Company acquired the worldwide nonexclusive and exclusive license agreements from the Center for Biological Research at Harvard Medical School for certain biological materials. The license agreement grants the Company the exclusive right to develop and commercialize the licensed products associated with certain biological materials.

5 - Convertible Notes - During the year ended May 31, 2006, the Company issued convertible promissory notes with 407,600 detachable warrants to purchase common stock to individuals in exchange for proceeds totaling $509,500. As of February 29, 2008, all of the convertible notes were converted into common stock. The original issue discount and beneficial conversion option were recorded as a discount to the convertible notes, and an increase in additional paid-in capital, respectively. For the three and nine month periods February 29, 2008 and February 28, 2007, the Company amortized approximately $0, $0, $0, and $48,000 of the discounts, which was included as a component of interest expense for the periods ended February 29, 2008 and February 28, 2007, respectively. From October 28, 2003 to February 29, 2008, the Company amortized approximately $509,000 of the discount.

During the year ended May 31, 2007, the Company issued convertible notes with 74,000 detachable common stock warrants to purchase common stock in exchange for proceeds of $92,500. The notes bear interest at 5.0% per annum. Principal and accrued interest are payable in any combination of cash and common stock at the option of the Company. The Company can repay principal and accrued interest with common stock at the conversion price of $1.25. As of February 29, 2008, $77,500 of the $92,500 in convertible notes were converted into common stock. The warrants to purchase common stock which accompanied the convertible promissory notes are exercisable at $2.50 per share, vest immediately, and expire in October 2010. Additionally, the Company recorded an original issue discount based on the fair value of the warrants. To recognize the original issue discount, the Company discounted the notes and increased additional paid-in capital by $92,500. The Company did not record the intrinsic value for conversion into the Company's common stock, as the discount was limited to the debt proceeds of $92,500, which was fully discounted by the fair value of the warrants. The discount was amortized over the life of the debt. During the three and nine month periods ended February 29, 2008 and February 28, 2007, the Company amortized approximately $0, $0, $4,000, and $88,000 of this discount, respectively, which is included as a component of interest expense. From October 28, 2003 to February 29, 2008, the Company amortized approximately $92,000 of discounts related to convertible notes payable.

During the nine months ended February 29, 2008, the Company issued two convertible notes each in the amount of $37,500. As of February 29, 2008, $50,000 of the proceeds were received and $25,000 was recorded as a subscription receivable. As of February 29, 2008, $75,000 of the convertible notes were converted into common stock. The notes are due in 12 months and bear interest at 14.0%. At the commitment date, the Company recorded a beneficial conversion feature of $50,000, which represented the intrinsic value of the conversion option, and was limited to the proceeds received. The conversion price is fixed at $.10. The beneficial conversion feature that will be recorded as a discount to the convertible notes and an increase in additional paid in capital. For the three and nine months ended February 29, 2008 the Company amortized into interest expense approximately $50,000 of the discount.

During the nine months ended February 29, 2008, the Company also issued a convertible promissory note with 9,000 detachable warrants to purchase common stock at an exercise price of $.30 in exchange for proceeds totaling $9,000. The note bears interest at 14.0%. The warrants to purchase common stock vest immediately and expire in 2011. The Company valued the warrants utilizing the Black-Scholes option valuation model, and the resulting fair value was recorded as a debt discount of $3,662, which will be amortized of the term of the debt.

As of February 29, 2008, the face amount related to convertible notes was $24,000.

6 - Promissory Notes - During the year ended May 31, 2007, the Company issued $125,000 in unsecured promissory notes to third parties. The principal and interest on the notes are due in six months and pay interest at 14.0% per annum. During the nine months ended February 29, 2008 the Company issued an additional $170,000 in promissory notes to third parties. The notes are all due in six months and pay interest of 14.0% per annum. The parties have agreed to extend the due date another six months while continuing to accrue interest. As of February 29, 2008, approximately $29,000 of interest has been accrued (See Note 9 for subsequent events).

7 - Commitments and Contingencies - In 2001, the Company sued its previous licensee, Amerimmune Pharmaceuticals, Inc. ("API"), and its directors. The Company was ordered by the court to pay $150,000 in attorney fees to the insurance company of API. and recorded a contingent liability for the amount. Prior to issuance of the financial statements, the Company appealed the Court's decision and, in December 2007, the Court's decision was reversed based on the appeal. Based on these facts and circumstances, the Company has reversed the recording of the contingent liability as of August 31, 2007.

Related to certain litigation whereby the Company was both a defendant and a plaintiff, the Company entered into a settlement agreement in December 2008. As part of the settlement agreement, the Company agreed to pay $50,000 in January 2009 and $25,000 on or before December 31, 2009 to the plaintiff. The Company paid the $50,000 in January 2009. The remaining $25,000 is unsecured and accrues interest at 10.0% per annum. The Company accrued $75,000 related to this settlement agreement as of February 29, 2008 for the past litigation. The associated expense for the nine month period ended February 29, 2008 is included

in legal fees in the condensed statement of operations.

8 - Related Party Transactions - As of February 29, 2008, the Company owed two officers promissory notes totaling of $72,574. The notes are due on demand and carry no interest rate. Management plans to repay the notes through cash payments, issuance of the Company's common stock, or a combination thereof. The balance due of $56,075 remained unpaid at February 29, 2008 and is included in the accompanying consolidated financial statements as "indebtedness to related parties."

A director provided legal services to the Company over the past several years. As of February 29, 2008, the Company owed the director $43,985 and it is included in the accompanying consolidated financial statements as "indebtedness to related parties" as of November 30, 2007. As of February 29, 2008, no arrangements had been made for the Company to repay the balance of this obligation. The Company anticipates that the director will continue to provide legal services in the future.

A former director of the Company is owed $337,341 related to certain clinical research data that was obtained by the former director and later purchased by the Company. As of February 29, 2008, the liability has no payment terms and no stated interest rate, and is included in the accompanying consolidated financial statements as "indebtedness to related parties."

Patents
The Company has a License Agreement with Allen D. Allen, the Company's president that gives the exclusive right to develop his technology worldwide. This includes issued U.S. patents 5,424,066; 5,651,970 and 6,534,057, foreign counterparts, as well as European Patents No. 94 912826.8 and 04101437.4. Hong Kong, Australian and Canadian patents have been obtained as well. The Company estimates the costs associated with these issued patents to be approximately $65,000 per year. The Company may file additional patents during the current fiscal year if the research and development efforts warrant them, but the Company does not have any such potential patents identified at this time. The license acquired gives the Company the right to develop Mr. Allen's patents worldwide.

9 - Subsequent Events - In April 2008, the Company's Board of Directors approved a Private Placement Memorandum to sell up to 6 million shares of common stock, no par value, a company offering. This offering was only available to accredited investors as defined under the 1933 Securities Act ("The Act"). The offering commenced on or about May 1, 2008 and ended June 15, 2009, the Company has sold 3,876,508 restricted common shares and 1,938,254 warrants for proceeds totaling $1,938,254. These securities were sold pursuant to an exemption from registration under Regulation D under The Act and will not be registered with the Securities and Exchange Commission. The warrants have an exercise price of $1.00 per share, immediate vesting rights, and expire in April 2013.

Subsequent to February 29, 2008, the Company granted common stock options to employees, directors, and consultants at exercise prices ranging from $.34 to $.72. The options vest between one and three years and expire in 2015.

Subsequent to February 29, 2008, the Company paid approximately $600,000 in cash for the manufacturing of our product, Cytolin(R), to be used in human clinical trials.

Subsequent to February 29, 2008, the Company amended the promissory note agreements relating to $295,000 in unsecured promissory notes. The original terms had no conversion feature, a stated interest rat e of 14% per annum, and had an original maturity of six months. Related to this amendment, the holders of the promissory notes were given the right to convert the face amount of the notes and accrued interest into shares of common stock at a fixed conversion price of $0.45 per share. At the commitment date, the date the notes were amended, the Company incurred a beneficial conversion feature of $50,000. The amendment to the unsecured promissory notes, limited the amount of promissory notes and accrued interest that could be converted to $225,000, effectively capping the number of common shares that could be converted to 500,000. As of the date of this filing, $146,456 of promissory notes converted into 325,459 shares of common stock.

Subsequent to February 29, 2008, the Company entered into an agreement with University of Massachusetts General Hospital to provide financial support for the purpose of conducting an ex-vivo study of the Company's lead drug, Cytolin. This study is intended as a prelude to an in-vivo stuffy. Costs are estimated at approximately $316,000 of which 50%, or $158,000, was paid to Massachusetts

General Hospital by CytoDyn.

Subsequent to February 29, 2008 the Company received a request from a shareholder to convert 100,000 preferred shares into 2,356,142 restricted common shares pursuant to an Agreement dated January 2007. The common shares were to be converted at the average price per share over the last 10 days of trading prior to the conversion date which calculated to $.62 per share. The Agreement contained a floor price of $.30 per share, which effectively limited the maximum number of the common shares issued to an amount that was less than the Company's authorized shares. These shares have not been registered with the SEC and are subject to the restrictions under Rule 144 of the Securities Act.

On October 26, 2009 the Company offered subscription agreements to sell 1,000,000 shares of unregistered common stock pursuant to Rule 144 of the U.S. Securities and Exchange Commission Act of 1933 at $.50 per share. Related to the subscription agreements, the Company sold 500,000 common shares to a consulting company at $.50 per share for $250,000 in cash. On November 3, 2009 the company entered into a twelve month agreement with the above consulting company for the purpose of widening their common stock distribution. This agreement calls for a cash payment of $30,000 as well as the issuance of common stock with a value of $90,000. This stock is to be restricted under Rule 144 of the US Securities and Exchange Commission's 1933 Act.

Subsequent to February 28,2009, the company amended its Articles of Incorporation for the purpose of authorizing the issuance of 400,000 shares of Preferred Stock designated as Series B Convertible Preferred Stock (Series B). Dividends accrue at the rate of $.25 per share per annum from the date of issuance and can be paid with cash or issuance of restricted common stock, at the corporation's discretion. One share of Series B can be converted into ten shares of restricted common stock, adjusted for reverse mergers or stock splits. The Series B has a fixed conversion price of $.50 per share. Any beneficial conversion feature at the commitment date would be treated as a constructive dividend to the Series B investors. In the event of liquidation, holders of preferred shares are to receive an amount per share equal to $5.00 plus any accrued and unpaid dividends. As of November 10, 2009 the company has issued 103,000 shares of Series B stock.

In November 2009, the Company purchased 1,200,000 common shares at $.28 per share from an unrelated third-party. The Company paid $336,000 in cash for the shares.

Part I - Item 2. Management's discussion and analysis of financial condition and results of operations.

The following discussion and analysis should be read in conjunction with our condensed consolidated financial statements and the related notes thereto included in this Quarterly Report on Form 10-Q. The discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). These forward-looking statements are based on our current expectations and entail various risks and uncertainties. Our actual results could differ materially from those projected in the forward-looking statements as a result of various factors, including those set forth in, "Risk Factors" of the Company's May 31, 2007 Form 10-K.

Plan of Operations

CytoDyn, Inc. discovered and is developing a class of therapeutic monoclonal antibodies to address significant unmet medical needs in the area of HIV/AIDS. CytoDyn, Inc. has sponsored a research grant to Massachusetts General Hospital in Boston, Massachusetts, to design and sponsor clinical trials in addition to conducting those trials on our lead product Cytolin(R), an immune therapy intended to treat early HIV infection. Although CytoDyn, Inc. will retain all of its intellectual property rights and will have access to the study data, the data will be owned by Massachusetts General Hospital (MGH). A chief benefit for CytoDyn, Inc. is that the Company will not have to deal directly with the FDA.. Moreover, the high costs and long delays associated with the FDA's oversight of clinical trials may be significantly reduced in the case of clinical trials designed and sponsored by a leading teaching hospital.

The FDA licenses medicinal products for sale in interstate commerce under a particular label. Only if they receive data supporting that label and only if some company asks them to do so. CytoDyn may or may not be the company that requests a license to market Cytolin(R) under a label. Under our current thinking we hope to enter into a strategic alliance after the next two studies under which a larger pharmaceutical marketing company will seek a license from the FDA to market Cytolin(R) and under a license from us to use our intellectual property in that manner. However there is no guarantee that we will wind up pursuing this strategy.

Projected costs to complete our research and development as a pre-requisite for co-development and/or out-licensing.

We negotiated with a contract manufacturer Vista Biologicals Corporation to manufacture GMP product for the next clinical trial of Cytolin(R) at a cost of

$565,000, all of which was paid by September 2008. The initial clinical trial to be conducted by Massachusetts General Hospital will cost the Company approximately $340,000 of which $158,000 was paid in September 2009.

Timing and anticipated completion dates for research and development.

We estimate that the initial clinical trial to be conducted by Massachusetts General Hospital will take one year to complete. The study enrollment will begin once the Institutional Review Board approvals Dr. Rosenberg's protocol. We cannot estimate when enrollment will begin as of November 2009. Subsequently, the CytoDyn, Inc. may fund a follow- up clinical trial at Massachusetts General Hospital using venture capital or, at that time, may enter into a strategic alliance for completion of research and the subsequent marketing of Cytolin(R) if approved. In the former case, CytoDyn, Inc. will need to provide a new batch of humanized product, which we estimate will cost on the order of another half million dollars. The company is conducting a private placement of preferred shares to secure the capital needed for the follow-up study. We cannot estimate what the hospital's research grant will be at this time until the hospital has provided those estimates.

There are many factors that can delay clinical trial benchmarks. However, the Company hopes to receive the results and analysis of the upcoming clinical trial during 2010.

Benchmark	Some Factors That Can Cause Delays+
Patient Outreach	Manufacturing Delays Documentation Delays IRB Delays Delays in Regulatory Review or Approval Force Majeure
Dose First Patient	Fill and Finish Delays Slower Than Expected Patient Enrollment Force Majeure
Lock Database - Begin Statistical Analysis	Slower Than Expected Patient Enrollment Clinical Hold Laboratory Error Protocol Deviation Force Majeure
Release Final Report	Additional Stratification Required Computer Hardware or Software Malfunction Force Majeure

+There are other factors, known and unknown, such as unexpected financial hardships, that can cause delays.

Clinical Trials Process - Described below is the traditional drug development track. Under the Company's current business plan, much of this initial work will be sponsored and conducted by the MGH, eliminating the need for CytoDyn to deal directly with the FDA. Traditionally, the Company would enter into a strategic alliance with a larger pharmaceutical company after development has progressed to a certain point. While there can be no guarantee that this will occur in our case, if it does, then our larger partner would usually be responsible for dealing with the FDA.

Phase I
Phase I includes the initial introduction of an investigational new drug or biologic into humans. These studies are closely monitored and may be conducted in patients, but are usually conducted in a small number of healthy volunteer subjects. These studies are designed to determine the metabolic and pharmacologic actions of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness. During Phase I, sufficient information about the investigational product's pharmacokinetics and pharmacological effects are obtained to permit the design of well-controlled, scientifically valid, Phase II studies.

Phase II
Phase II includes the early controlled clinical studies conducted to obtain some preliminary data on the effectiveness of the drug for a particular indication or indications in patients with the disease or condition. This phase of testing also helps determine the common short-term side effects and risks associated with the drug. Phase II studies are typically well-controlled, closely monitored, and conducted in a relatively small number of patients, usually involving several hundred people. Depending upon need, a new drug may be licensed for interstate marketing after Phase II if it is a "pivotal" study.

Phase III
Phase III studies are expanded controlled clinical studies. They are performed after preliminary evidence suggesting effectiveness of the drug has been obtained in Phase II, and are intended to gather the additional information about effectiveness and safety that is needed to evaluate the overall benefit/risk relationship of the drug. Phase III studies also provide an adequate basis for extrapolating the results to the general population and transmitting that information in the physician labeling. Phase III studies usually include several hundred to several thousand people.

Patents
We have a License Agreement with Allen D. Allen, our president that gives us the exclusive right to develop his technology worldwide. This includes issued U.S. patents 5,424,066; 5,651,970 and 6,534,057, foreign counterparts, as well as European Patents No. 94 912826.8 and 04101437.4. Hong Kong, Australian and Canadian patents have been obtained as well. We estimate the costs associated with these issued patents to be approximately $65,000 per year. We may file additional patents during the current fiscal year if our research and development efforts warrant them, but we do not have any such potential patents identified at this time. The license acquired gives us the right to develop Mr. Allen's patents worldwide.

Going Concern

We will require additional funding in order to continue with research and development efforts.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company is currently in the development stage with losses for all periods presented. As of October 21, 2009 these factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional operating capital, complete development of its medical treatments, obtain FDA approval, outsource manufacturing of the treatments, and ultimately to attain profitability. The Company intends to seek additional funding through equity offerings or licensing agreements to fund its business plan. There is no assurance that the Company will be successful in these endeavors.

Results of Operations
- ---------------------

Results of Operations for the three months ended February 29, 2008 and February 28, 2007 are as follows:

For the three months ended February 29, 2008 and 2007 the Company had no activities that produced revenues from operations.

For the three months ended February 29, 2008, the Company had a net loss of ($220,107) compared to a net loss of $(559,330) for the corresponding period in 2007. For the three months ended February 29, 2008, the Company incurred operating expenses of $154,161 consisting primarily of stock-based compensation, legal fees, salaries, and accounting fees.

For the three months ended February 28, 2007, the Company had a net loss of $(559,330). In the same period, the Company incurred operating expenses of $551,734 consisting primarily of research and development expense, stock-based compensation, legal fees and salaries.

The decrease in operating expenses of $397,573 from the three month period February 29, 2008 compared to the corresponding period related primarily to a decrease in stock based compensation, legal fees and depreciation and amortization expenses.

Results of Operations for the nine months ended February 29, 2008 and February 28, 2007 are as follows:

For the nine months ended February 29, 2008 and February 28, 2007, the Company had no activities that produced revenues from its operations.

For the nine months ended February 29, 2008, the Company had a net loss of $(704,834) compared to a net loss of $(2,074,916) for the corresponding period in 2007. For the nine months ended February 29, 2008 the Company incurred operating expenses of $626,047 consisting primarily of stock based compensation, legal fees, salaries, and accounting fees. For the nine months ended February 28, 2007, the Company incurred operating expenses of $1,935,604 consisting primarily of research and development expenses, stock based compensation, legal fees and salaries. The decrease in operating expenses of $1,309,557 from the nine months ended February 29, 2008, compared to the corresponding period related primarily to a decrease in research and development expenses, amortization expense, stock based compensation, and the cancellation of stock previously issued for services.

Liquidity and Capital Resources

As shown in the accompanying Financial Statements, for the nine months ended February 29, 2008 and February 28, 2007, and since October 28, 2003 through February 29, 2008 the Company has had net losses of $704,834 and $2,074,916 and $6,483,975, respectively. As of February 29, 2008, the Company has not emerged from the development stage. In view of these matters, the Company's ability to continue as a going concern is dependent upon the Company's ability to begin operations and to achieve a level of profitability. Since inception, the Company has financed its activities principally from the sale of public equity

securities and proceeds from notes payable. The Company intends on financing its future development activities and its working capital needs largely from the sale of public equity securities with some additional funding from other traditional financing sources.

As previously mentioned, since October 28, 2003, we have financed our operations largely from the sale of common stock and proceeds from notes payable. From inception through February 29, 2008 we raised cash of approximately $675,550 (net of offering costs) through private placements of common stock financings and $1,505,849 through the issuance notes payable.

Since October 28, 2003 through February 29, 2008, we have incurred $797,340 of research and development costs and $5,789,461 in operating expenses.

We have incurred significant net losses and negative cash flows from operations since our inception. As of February 29, 2008, we had an accumulated deficit of $8,085,887 and a working capital deficit of $1,051,119.

We anticipate that cash used in product development and operations, especially in the marketing, production and sale of our products will increase significantly in the future.

Part I - Item 3. Quantitative and Qualitative Disclosures about Market Risk
- ---

Not applicable

Item 4T. Controls and Procedures
- ---

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d015(e) under the Exchange Act) as of the three and nine month period ending February 29, 2008 covered by this quarterly report on Form 10Q. Based upon such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were not effective as required under Rules 13a015(e) and 15d-15(e) under the Exchange Act. This conclusion by the Company's Chief Executive Officer and Chief Financial Officer does not relate to reporting periods after February 29, 2008.

Changes in Control Over Financial Reporting
- ---

No change in the Company's internal control over financial reporting occurred during the quarter ended February 29, 2008, that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - Item 1. Legal Proceedings
- ---

Maya LLC v. CytoDyn, et al Superior Court of Los Angeles Glendale Case #EC041590
- ---

CytoDyn, Inc. and Allen D. Allen v. Amerimmune, Inc. and Amerimmune
- ---
Pharmaceuticals, Inc. v. Biovest International, Inc., Commonwealth of
- ---
Massachusetts, Superior Court, Worcester County, Civil Action No. 05-0452-C.
- ---

The company and some of its officers and directors have entered into a Settlement Agreement with the all parties involved in the above legal matters including CytoDyn, Inc. Allen D. Allen, Corinne Allen, Maya LLC, AIDS Research LLC and Rex Lewis. All of the cases have been settled pursuant to this agreement. The liability incurred by the company is $50,000 payment to Maya LLC by January 14, 2009 and an additional $25,000 by January 14, 2010. We have dismissed all claims to the old FDA IND and the old cell bank as defined in the agreement and Rex Lewis and his parties agree to dismiss all claims against the company, any of its predecessors and any of its officers and directors. Related to the above settlement the Company accrued $75,000 as of February 29, 2008.

Part II - Item 2. Unregistered Sales of Equity and Use of Proceeds
- ---

In April 2008 our Board of Directors approved a Private Placement Memorandum to sell up to 6 million shares of common stock, no par value, through a Placement Agent, a company offering. This offering was only available to accredited investors as defined under the 1933 Securities Act ("The Act"). The offering commenced on or about April 4, 2008 and ended June 2009. The company sold 3,876,509 restricted common shares and 1,938,254 warrants. These securities were sold pursuant to an exemption from registration under Regulation D under "The Act" and will not be registered with the Securities and Exchange Commission.

The Company used the proceeds to manufacture our primary product Cytolin(R) for use in clinical trials. The remaining amount of the proceeds will be used for company operating expenses, patent fees and legal fees.

Item 3. Defaults Upon Senior Securities

None

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

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:

1. 31.1: Certification by the CEO
2. 31.2: Certification by the CFO
3. 32.1: Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - CEO
4. 32.2: Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - CFO

SIGNATURES

CYTODYN, INC.
Registrant)

DATE: December 1, 2009

BY: /s/ Allen D. Allen

Allen D. Allen
President and CEO

EXHIBIT 31.1
CERTIFICATIONS

I, Allen D. Allen, certify that:

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

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

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

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

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

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

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

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

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

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

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

(Date) December 1, 2009

BY(Signature) /s/ Allen D. Allen
(Name and Title) Allen D. Allen
President and Chief Executive Officer

EXHIBIT 31.2
CERTIFICATIONS

I, Corinne Allen, certify that:

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

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

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

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

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

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

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

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

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

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

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

(Date) December 1, 2009

BY(Signature) /s/ Corinne Allen
(Name and Title) Corinne Allen
Chief Financial Officer

EXHIBIT 32.1
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CytoDyn, Inc. (the "Company") on Form 10-Q for the period ended February 29, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Allen D. Allen, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

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

BY(Signature)	/s/ Allen D. Allen
(Name and Title)	Allen D. Allen President and Chief Executive Officer
(Date)	December 1, 2009

EXHIBIT 32.2
CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CytoDyn, Inc. (the "Company") on Form 10-Q for the period ended February 29, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Corinne Allen, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

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

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

BY(Signature)	/s/ Corinne Allen
(Name and Title)	Corinne Allen Chief Financial Officer
(Date)	December 1, 2009