

=====

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

AMENDMENT NO. 1 TO FORM 10-KSB

Annual Report Under Section 13 or 15(d) of the Securities Exchange Act  
of 1934

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

Transition Report Under Section 13 or 15(d) of the Securities Exchange  
Act of 1934

COMMISSION FILE NUMBER 000-26285

CNS RESPONSE, INC.  
(Name of Small Business Issuer in Its Charter)

DELAWARE  
(State or Other Jurisdiction  
of Incorporation or Organization)

87-0419387  
(I.R.S. Employer  
Identification No.)

2755 BRISTOL ST., SUITE 285  
COSTA MESA, CA 92626  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES AND ZIP CODE)

(714) 545-3288  
(ISSUER'S TELEPHONE NUMBER)

Securities registered under Section 12(b) of the Exchange Act:

None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$0.001 par value  
(Title of Class)

Check whether the issuer is not required to file reports pursuant to Section 13  
or 15(d) of the Exchange Act.

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

Check if there is no disclosure of delinquent filers in response to Item 405 of  
Regulation S-B contained in this form, and no disclosure will be contained, to  
the best of registrant's knowledge, in definitive proxy or information  
statements incorporated by reference in Part III of this Form 10-KSB or any  
amendment to this Form 10-KSB.

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

The issuer's revenues for the fiscal year ended September 30, 2007 were  
\$238,400.

At December 5, 2007, the aggregate market value of the voting stock held by  
non-affiliates of the issuer was \$14,072,920.

At January 7, 2008, the issuer had 25,299,547 shares of Common Stock, \$0.001 par  
value, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

Transitional Small Business Disclosure Format (check one): Yes  No

=====

EXPLANATORY NOTE

The following Items amend the Annual Report on Form 10-KSB filed by CNS  
Response, Inc. (the "Company") on December 7, 2007 (the "Form 10-KSB"), as  
permitted by the rules and regulations promulgated by the Securities and

Exchange Commission. The Form 10-KSB is hereby amended to insert those Items as set forth herein. All capitalized terms used herein but not defined shall have the meanings ascribed to them in the Form 10-KSB.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, CONTROL PERSONS AND CORPORATE GOVERNANCE; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

The following table sets forth the name, age and position of each of our executive officers and directors as of January 7, 2008.

NAME	AGE	POSITION
Leonard J. Brandt	51	Chairman of the Board, Chief Executive Officer and Secretary
Horace Hertz	58	Chief Financial Officer
George Carpenter	49	President
David B. Jones	64	Director
Jerome Vaccaro, M.D.	52	Director
Dr. Henry T. Harbin	60	Director

LEONARD J. BRANDT, DIRECTOR, CHIEF EXECUTIVE OFFICER, SECRETARY & FOUNDER

Leonard Brandt became our Chairman of the Board, Chief Executive Officer and Secretary upon completion of our merger with CNS California on March 7, 2007. Mr. Brandt is a founder of CNS California, and has served as its President and Chief Executive Officer, and as a member of its Board of Directors since its inception in 2000. Mr. Brandt started his career with Norwest Venture Capital in 1980. In 1983 he became Vice President of Norwest Growth Fund and General Partner of Norwest Venture Partners, where he served until 1990. In this capacity he was primarily responsible for the firm's investments in the healthcare industry, including several involving the behavioral health industry. In 1995 Mr. Brandt founded Time Segment Publishing, Inc and was its President until 1999. In 1999, Mr. Brandt co-founded Embro Vascular, LLC, a provider of technology for least-invasive harvesting of the saphenous vein for heart-bypass surgery. He also individually provided consulting to early stage ventures from 1993 until he co-founded Mill City Venture Consulting in 1998. Mill City Venture Consulting was initially an advisor to NuPharm, Inc., the predecessor of CNS California. Mr. Brandt has been a United States member of the government of New Zealand Trade and Enterprise Advisory Board since 2005. Len holds a Bachelor of Science degree from the College of Commerce at University of Illinois and a Masters of Business Administration from Harvard University.

HORACE HERTZ, CHIEF FINANCIAL OFFICER

Horace Hertz became our Chief Financial Officer upon completion of our merger with CNS California on March 7, 2007. Mr. Hertz has served as Chief Financial Officer of CNS California since October 15, 2006. From August 2003 to September 2006, Mr. Hertz served as the Chief Operating Officer and Chief Financial Officer of Bankers Integration Group, a financial information company. From April 2002 to August 2003, Mr. Hertz served as Chief Financial Officer of

2

Infacare Pharmaceutical Corporation, a medication development company. From April 2, 2001 to April 2002, Mr. Hertz served as Interim Chief Executive Officer of Maxoptix, Inc., a hardware company undergoing a restructuring. Prior to that Mr. Hertz served as a Chief Financial Officer for a NASDAQ-listed public company, Aspeon, Inc, a manufacturer of hardware, for 3 years. Mr. Hertz, a Certified Public Accountant, was a partner of Deloitte & Touche, LLP from 1974 to 1991 and has a Masters Degree in Mathematics from the University of California at Irvine.

GEORGE CARPENTER, PRESIDENT

George Carpenter has served as our President since October 1, 2007. Prior to joining us, Mr. Carpenter was the President & CEO of WorkWell Systems, Inc., a national physical medicine firm that manages occupational health programs for Fortune 500 employers. Prior to his position at WorkWell Systems, Mr. Carpenter founded and served as Chairman and CEO of Core, Inc., a company focused on integrated disability management and work-force analytics. Core was acquired in 2001 by Assurant, Inc. From 1984 to 1990, Mr. Carpenter was a Vice President of Operations with Baxter Healthcare, served as a Director of Business Development and as a strategic partner for Baxter's alternate site businesses. Mr. Carpenter began his career at Inland Steel where he served as a Senior Systems Consultant in manufacturing process control. Mr. Carpenter holds an MBA in Finance from the University of Chicago and a BA with Distinction in International Policy & Law from Dartmouth College.

DAVID B. JONES, DIRECTOR

David B. Jones has been a director of CNS California since July 2006,

and became a director of the company upon completion of our merger with CNS California on March 7, 2007. Mr. Jones currently serves as a partner of Sail Venture Partners, L.P., a position which he has held since 2003. Mr. Jones also currently serves as a director of Earthanol, Inc. From 1998 to 2004, Mr. Jones served as Chairman and Chief Executive Officer of Dartron, Inc., a computer accessories manufacturer. From 1985 to 1997, Mr. Jones was a general partner of InterVen Partners, a venture capital firm with offices in Southern California and Portland, Oregon. From 1979 to 1985, Mr. Jones was President and Chief Executive Officer of First Interstate Capital, Inc., the venture capital affiliate of First Interstate Bancorp. Mr. Jones is a graduate of Dartmouth College and holds Masters of Business Administration and law degrees from the University of Southern California.

JEROME VACCARO, M.D., DIRECTOR

Jerome Vaccaro, M.D., joined the Board of Directors of CNS California in 2006 and became a director of the company upon completion of our merger with CNS California on March 7, 2007. Dr. Vaccaro is President and Chief Operating Officer of APS Healthcare, Inc, (APS) a privately held specialty healthcare company. Prior to his appointment as president of APS, Mr. Vaccaro served as Senior Vice President with United Health Group's Specialized Care Services. He has served in a number of health care executive roles, most recently as Chief Executive Officer of United Behavioral Health, and before that as President and Chief Executive Officer of PacifiCare Behavioral Health ("PBH"). Dr. Vaccaro has also served as Medical Director of PBH (1996-2001), Chief Executive Officer of PacifiCare Dental and Vision (2002-2004), and Senior Vice President for the PacifiCare Specialty Health Division (2002-2004). Dr. Vaccaro has an extensive background in community mental health and public sector work, including editing the textbook, "Practicing Psychiatry in the Community," which is hailed as the definitive community psychiatry text. Dr. Vaccaro completed medical school and a Psychiatry Residency at the Albert Einstein College of Medicine in New York City. After his training, Dr. Vaccaro served on the full-time faculty of the University of Hawaii (1985-1989) and UCLA (1989-1996) Departments of Psychiatry.

3

HENRY T. HARBIN, M.D., DIRECTOR

Henry Harbin, M.D. joined our Board of Directors on October 17, 2007. Dr. Harbin is a Psychiatrist with over 30 years of experience in the behavioral health field. He has held a number of senior positions in both public and private health care organizations. He worked for 10 years in the public mental health system in Maryland serving as Director of the state mental health authority for 3 of those years. He has been CEO of two national behavioral healthcare companies - Greenspring Health Services and Magellan Health Services. At the time he was CEO of Magellan, it was the largest managed behavioral healthcare company managing the mental health and substance abuse benefits of approximately 70 million Americans including persons who were insured by private employers, Medicaid and Medicare. In 2002 and 2003, he served on the President's New Freedom Commission on Mental Health. As a part of the Commission he was chair of the subcommittee for the Interface between Mental Health and General Medicine. In 2005, he served as co-chair of the National Business Group on Health's work group that produced the Employer's Guide to Behavioral Health Services in December 2005. Since 2004, Dr. Harbin has been providing health care consulting services to a number of private and public organizations.

Except for Mr. Harbin, who was the Chief Executive Officer of Magellan Health Services within two years prior to Magellan Health Services' bankruptcy filing, in the past five years, none of our officers or directors has had any bankruptcy petition filed by or against any business of which such officer or director was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time. None of our officers and directors have been convicted in a criminal proceeding or are subject to a pending criminal proceeding, excluding traffic violations or similar misdemeanors, nor have they been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting his involvement in any type of business, securities or banking activities. In addition, none of our officers and directors have been found by a court of competent jurisdiction (in a civil action), the Commission, or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated. There are no family relationships among our executive officers and directors.

BOARD COMPOSITION AND COMMITTEES

Our board of directors currently consists of four members: Leonard Brandt, David Jones, Jerome Vaccaro, and Henry Harbin. Except for Mr. Harbin, who was appointed by our Board of Directors to fill a vacancy created by an expansion in the size of our Board of Directors, each director was elected either at a meeting of shareholders or by written consent of the shareholders. Each of our directors will serve until our next annual meeting or until his or

her successor is duly elected and qualified. We do not have a separately designated audit, compensation or nominating committee of our board of directors and the functions customarily delegated to these committees are performed by our full board of directors. We are not a "listed company" under SEC rules and are therefore not required to have separate committees comprised of independent directors. We have, however, determined that David Jones, Jerome Vaccaro and Henry Harbin are "independent" as that term is defined in Section 4200 of the Marketplace Rules as required by the NASDAQ Stock Market. We have also determined that David Jones qualifies as an "audit committee financial expert" within the meaning of the rules and regulations of the SEC and that each of our other board members are able to read and understand fundamental financial statements and have substantial business experience that results in that member's financial sophistication. Accordingly, our board of directors believes that each of its members has sufficient knowledge and experience necessary to fulfill the duties and obligations that an audit committee would have.

4

We intend to establish an audit, compensation and nominating committee of our board of directors later this year as we recently expanded our board to include three directors who are independent directors under the applicable rules of the SEC and NASDAQ.

#### KEY EMPLOYEE

BRIAN MACDONALD, a co-founder of the company, has served as our Director of Engineering since 2000. Prior to receiving his Master of Business Administration from the Wharton School of Business, University of Pennsylvania, in 1990, Brian was trained in operations and chemical engineering. He consulted for Deloitte & Touche Management Consulting from July 1990 to April 1995, KPMG Strategic Services from April 1995 through April 1996, and in private practice from April 1996 until January 1999. Mr. MacDonald's focus throughout this time was in the area of operations and information systems. Brian is co-founder of Mill City Venture Development, an entity founded in January 1999 that consulted for the predecessor company to CNSR. In addition to his Masters of Business Administration, Mr. MacDonald holds a Bachelor of Science degree from the University of Alabama.

#### SCIENTIFIC AND MEDIA ADVISORS

CNSR's Scientific Advisors and Media Advisors are experts in their field. During their tenure, CNSR Board of Directors and management team utilize their specialized expertise on an as-needed basis.

STEPHEN C. SUFFIN, MD, Advisor, is certified in anatomic and clinical pathology and has published more than 50 scientific papers. Dr. Suffin is a former Investigator at the Laboratory of Infectious Diseases at the National Institute of Allergy and Infectious Diseases and consultant to the Armed Forces Institute of Pathology before returning to the West Coast to become Medical Director at Upjohn's Laboratory Procedures. Dr. Suffin has served as a medical director for SmithKline Beecham and Quest Diagnostics for over 20 years. Additionally, Dr. Suffin is a board certified psychiatrist who has served as the medical director of two psychiatric hospitals and as the Chief Medical Officer of CNS California from its founding in 2000 until 2002.

MAURIZIO FAVA, MD, Advisor, is currently Associate Chief of Psychiatry for Clinical Research and Director of the Depression Clinical and Research Program at the Massachusetts General Hospital and Professor of Psychiatry at Harvard Medical School. Dr. Fava has authored or co-authored more than 200 original articles, edited four books, published more than 50 chapters, 200 abstracts and given more than 200 presentations at national or international meetings. He has received several awards during his career and is on the editorial board of four international medical journals. Dr. Fava's prominence in the field is reflected by his role as the co-principal investigator of STAR\*D, the largest study ever conducted in the area of depression.

ALAN SCHATZBERG, MD, Advisor, is the Kenneth T. Norris, Jr., Professor and Chairman of the Department of Psychiatry and Behavioral Sciences at Stanford University. He has authored over 500 publications and abstracts, including the MANUAL OF CLINICAL PSYCHOPHARMACOLOGY, (fifth edition published in 2005), co-edited the TEXTBOOK OF PSYCHOPHARMACOLOGY (third edition 2003) and is Co-Editor-in-Chief of the JOURNAL OF PSYCHIATRIC RESEARCH. He has received numerous awards during his career, including most recently the Distinguished Service in Psychiatry Award from the American College of Psychiatrists and is on the editorial board of several international medical journals. In 2003, Dr. Schatzberg was elected into the Institute of Medicine of the National Academy of Sciences.

MAX A. SCHNEIDER, MD, Medical Advisor to CNSR, Director of Education, Positive Action Center at Chapman Medical Center, Orange, California, is a Fellow and Past President of the American Society of Addiction Medicine (ASAM), a Past Chair of the Board of Directors of the National Council on Alcoholism and Drug

Dependence (NCADD), a former consultant to the Drug and Alcohol Advisory Committee of the U.S. Food and Drug Administration and a Certified Medical Review Officer. He currently serves as a Clinical Professor at the University of California at Irvine where he teaches in their Addiction Medicine program which he founded in 1969. Dr. Schneider has produced ten films and five booklets on addiction. In 1956 he was a member of the research team that developed "mouth to mouth" resuscitation that revolutionized the technique of artificial resuscitation.

GREGORY VISTICA, Advisor to CNSR, is the president of Washington Media Group, Inc., a communications firm that specializes in crisis management. He is also a principal with SAIL Venture Partners, an energy/cleantech venture firm. He is an author and former award-winning investigative journalist who has worked as a correspondent for NEWSWEEK, a contributing writer for THE NEW YORK TIMES MAGAZINE, a staff writer for THE WASHINGTON POST, a producer for 60 MINUTES II, and a military affairs writer for THE SAN DIEGO UNION-TRIBUNE. He has been nominated for an EMMY by CBS News and was a finalist for a PULITZER PRIZE nominated by the New York Times. He won a PEABODY AWARD and THE GEORGE POLK AWARD for his investigative reporting of the "Tailhook Scandal."

#### CODE OF ETHICAL CONDUCT

Our board of directors has adopted a Code of Ethical Conduct (the "Code of Conduct") which constitutes a "code of ethics" as defined by applicable SEC rules and a "code of conduct" as defined by applicable NASDAQ rules. We require all employees, directors and officers, including our Chief Executive Officer, President and Chief Financial Officer, to adhere to the Code of Conduct in addressing legal and ethical issues encountered in conducting their work. The Code of Conduct requires that these individuals avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner and otherwise act with integrity and in our best interest. The Code of Conduct contains additional provisions that apply specifically to our Chief Financial Officer and other financial officers with respect to full and accurate reporting. The Code of Conduct is available on our website at [www.cnsresponse.com](http://www.cnsresponse.com) and is also filed as an exhibit to this Annual Report on Form 10-KSB/A.

#### SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers and the holders of more than 10% of our common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our equity securities. Based solely on our review of the copies of the forms received by us and written representations from certain reporting persons that they have complied with the relevant filing requirements, we believe that, during the year ended September 30, 2007, all of our executive officers, directors and the holders of 10% or more of our common stock complied with all Section 16(a) filing requirements, except for Henry Harbin who did not timely file a Form 3, Sail Venture Partners, LLC which did not timely file a Form 3, Richardson & Patel, LLP which did not timely file a Form 3, David Jones who did not timely file a Form 3, and Leonard Brandt who did not timely file a Form 3.

#### ITEM 10. EXECUTIVE COMPENSATION

##### SUMMARY COMPENSATION TABLE

The following table provides disclosure concerning all compensation paid for services to us in all capacities for our fiscal year ended September 30, 2007 (i) as to each person serving as our Chief Executive Officer during our fiscal year ended September 30, 2007, (ii) as to our most highly compensated executive officer other than our Chief Executive Officer who was serving as an

executive officer at the end of our fiscal year ended September 30, 2007, whose compensation exceeded \$100,000 and (iii) as to each other individual, who was not an executive officer as of our fiscal year ended September 30, 2007, whose compensation exceeded \$100,000. The people listed in the table below are referred to as our "named executive officers".

<TABLE>  
<CAPTION>

NAME AND PRINCIPAL POSITION TOTAL (\$)	FISCAL YEAR ENDED SEPTEMBER 30,	SALARY (\$)	BONUS (\$)	OPTION AWARDS (\$)	ALL OTHER COMPENSATION (\$)(7)
-----	-----	-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>	<C>
Leonard Brandt (Chief 1,218,600 Executive Officer, Director) (1)	2007	175,000	0	1,025,600 (3)	18,000
441,200	2006	175,000	10,000	196,500 (4)	59,700
Silas Phillips (2) (former 0 Chief Executive Officer)	2007	0	0	0	0
0	2006	0	0	0	0
Horace Hertz (Chief 659,150 Financial Officer)	2007	143,750	0	515,400 (5)	0
Brian McDonald 377,700	2007	120,000	0	257,700 (6)	0

- (1) For the fiscal years ended 2005 and 2006, Mr. Brandt agreed to forgo payment of his salary and allow CNS California to accrue such compensation. In August 2006, Mr. Brandt agreed to settle his claims for compensation through September 30, 2006 in the aggregate amount of \$1,106,900 in exchange for the issuance of 298,437 shares of CNS California common stock, which were exchanged for 298,437 shares of our common stock upon the closing of the Merger on March 7, 2007.
- (2) Silas Phillips was appointed the CEO, President, CFO, Secretary and sole Director of the company on July 18, 2006. Mr. Phillips resigned from all of his positions with the company upon the closing of the merger with CNS California on March 7, 2007. Mr. Phillips did not receive any compensation for serving as an officer and director of the company.
- (3) The fair value of options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: grant date fair value of \$1.09; dividend yield of 0; risk free interest rate of 4.72%; expected volatility of 91% and an expected life of 5 years.
- (4) Represents options to purchase 2,124,740 shares of our common stock for which the CNS California common stock underlying the originally issued options were exchanged upon the closing of the Merger. The options are fully vested and exercisable at \$0.132 per share. The fair value of options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: grant date fair value of \$0.132; dividend yield of 0; risk free interest rate of 5.5%; expected volatility of 100% and an expected life of 5 years.
- (5) The fair value of options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: grant date fair value of \$1.09; dividend yield of 0; risk free interest rate of 4.72%; expected volatility of 91% and an expected life of 5 years.
- (6) The fair value of options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: grant date fair value of \$1.09; dividend yield of 0; risk free interest rate of 4.72%; expected volatility of 91% and an expected life of 5 years.
- (7) Relates to insurance premiums paid on behalf of Mr. Brandt by the company.

NARRATIVE DISCLOSURE TO SUMMARY COMPENSATION TABLE

We compensate our executive officers through a combination of a base salary, a cash bonus, and options to purchase shares of our common stock. We did not pay any bonuses to our executive officers during our fiscal year ended 2007 as we desired to retain our cash to fund our growth. The bonuses paid to our executive officers in fiscal year ended 2006 were determined by our Board of Directors, and were based on the performance of the executive officer and the company. We do not have a formal plan for determining the compensation of our executive officers. All agreements with our named executive officers that provide for payments to such named executive officers at, following or in connection with the resignation, retirement or other termination of such named

executive officers, or a change in control of our company or a change in the responsibilities of such named executive officers following a change in control are set forth below under the heading "Employment Agreements."

EMPLOYMENT AGREEMENTS

On October 1, 2007, after our 2007 fiscal year end, we entered into an Employment Agreement (the "Employment Agreement") with George Carpenter pursuant to which Mr. Carpenter serves as our President. During the period of his employment, Mr. Carpenter will receive a base salary of no less than \$180,000 per annum, which is subject to upward adjustment at the discretion of the Chief Executive Officer or our Board of Directors. In addition, pursuant to the terms of the Employment Agreement, on October 1, 2007, Mr. Carpenter was granted an option to purchase 968,875 shares of our common stock at an exercise price of \$0.89 per share pursuant to our 2006 Stock Incentive Plan, which vests as follows: 121,109 shares vested on the grant date and the remaining 847,766 shares will vest in equal monthly installments of approximately 20,185 shares over forty-two months beginning seven months after the commencement of Mr. Carpenter's employment with us, subject to Mr. Carpenter's continued employment with us. In the event of a change of control transaction, Mr. Carpenter's options are subject to partial acceleration. Mr. Carpenter will be entitled to four weeks vacation per annum, health and dental insurance coverage for himself and his dependents, and other fringe benefits that we may offer our employees from time to time.

Mr. Carpenter's employment is on an "at-will" basis, and Mr. Carpenter may terminate his employment with us for any reason or for no reason. Similarly, we may terminate Mr. Carpenter's employment with or without cause. If we terminate Mr. Carpenter's employment without cause or Mr. Carpenter involuntarily terminates his employment with us, Mr. Carpenter shall be eligible to receive as severance his salary and benefits for a period equal to six months payable in one lump sum upon termination. If Mr. Carpenter is terminated by us for cause, or if Mr. Carpenter voluntarily terminates his employment, he will not be entitled to any severance.

The Company has no other employment agreements with its executive officers.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2007

The following table presents information regarding outstanding options held by our named executive officers as of the end of our fiscal year ended September 30, 2007. None of the named executive officers exercised options during the fiscal year ended September 30, 2007.

<TABLE>  
<CAPTION>

Number of Securities Underlying  
Unexercised Options (#)

Name	Exercisable	Unexercisable	Option Exercise Price (\$)	Option Expiration Date
Leonard Brandt (1)	2,124,740	0	0.132	August 11, 2011
	83,403	250,208	1.20	August 8, 2012
	323,627	645,262	1.09	August 8, 2017
Horace Hertz ((2))	0	651,249	1.09	August 8, 2017
Brian MacDonald (3)	714,076	0	0.132	August 11, 2011
	101,758	223,867	1.09	August 8, 2017

</TABLE>

(1) On August 8, 2007, Mr. Brandt was granted options to purchase 1,302,500 shares of our common stock. The options are exercisable at \$1.20 per share as to 333,611 shares and \$1.09 per share as to 968,889 shares. The options to purchase 333,611 shares vest as follows: options to purchase 83,403 shares vested on August 8, 2007, the date of grant; options to purchase 243,250 shares vest in equal monthly amounts of 6,950 shares over 35 months commencing on January 31, 2008; the remaining options to purchase 6,958 shares vest on December 31, 2010. The options to purchase 968,889 shares vest as follows: options to purchase 269,357 shares vested on August 8, 2007, the date of grant; options to purchase 135,675 shares vest in equal monthly amounts of 27,135 shares over 5 months beginning on August 31 2007; options to purchase 543,276 shares vest in equal monthly of 20,138 shares over 27 months beginning on January 31, 2008; the

remaining options to purchase 20,131 shares vest on April 30, 2010.

(2) On August 8, 2007, Mr. Hertz was granted options to purchase 651,249 shares of our common stock. The options are exercisable at \$1.09 per share and vest as follows: options to purchase 162,812 vested on October 15, 2007; options to purchase 474,880 shares vest in equal monthly amounts of 13,568 over 35 months beginning November 30, 2007; the remaining options to purchase 13,557 vest on October 15, 2010.

(3) On August 8, 2007, Mr. MacDonald was granted options to purchase 325,625 shares of our common stock. The options are exercisable at \$1.09 per share and vest as follows: options to purchase 101,758 shares vested prior to September 30, 2007; options to purchase 223,867 shares vest in equal monthly installments of 6,784 shares over 32 months commencing on October 1, 2007; the remaining options to purchase 6,779 shares vest on June 30, 2010.

#### DIRECTOR COMPENSATION

During our fiscal year ended September 30, 2007, our non-employee directors did not receive compensation for their services on our board. We do not pay management directors for board service in addition to their regular employee compensation. Going forward, we intend to compensate our non-employee directors with a combination of cash payments and option grants. In addition, even though we did not reimburse directors for travel expenses associated with attendance at Board meetings during our fiscal year ended September 30, 2007 (as no such expenses were incurred), it is our policy to reimburse directors for such travel expenses.

After our fiscal year end, on December 19, 2007, we granted Mr. Harbin options to purchase 20,000 shares of our common stock at an exercise price of \$0.80 per share under our 2006 Stock Incentive Plan. The options expire on December 19, 2017. The options vest in equal installments of 5,000 shares on each of June 19, 2008, December 19, 2008, June 19, 2009, and December 19, 2009. The fair value of options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions: grant date fair value of \$0.80; dividend yield of 0; risk free interest rate of 4.0%; expected volatility of 113% and an expected life of 10 years.

#### 2004 STOCK INCENTIVE PLAN

On September 27, 2004, we adopted our 2004 Stock Option Plan pursuant to which there were 15,000,000 shares of common stock reserved for issuance and under which we may issue incentive stock options, nonqualified stock options, stock awards and stock bonuses to officers, directors and employees. The option price for each share of stock subject to an option was to be (i) no less than the fair market value of a share of stock on the date the option is granted, if the option is an ISO, or (ii) no less than 85% of the fair market value of the stock on the date the option is granted, if the option is a NSO; provided, however, if the option was an ISO granted to an eligible employee who is a 10% shareholder, the option price for each share of stock subject to such ISO was to be no less than 110% of the fair market value of a share of stock on the date such ISO is granted. Stock options were to have a maximum term of ten years from the date of grant, except for ISOs granted to an eligible employee who is a 10% shareholder, in which case the maximum term was to be five years from the date of grant. ISOs could be granted only to eligible employees. At September 30, 2007, there were no options outstanding under this plan, and we intend to terminate this plan in the near future.

#### 2006 STOCK INCENTIVE PLAN

On August 3, 2006, CNS California adopted the CNS California 2006 Stock Incentive Plan (the "2006 Plan"). On March 7, 2007, in connection with the closing of the merger transaction with CNS California, we assumed the CNS California stock option plan and all of the options granted under the plan at the same price and terms. The 2006 Plan provides for the issuance of awards in the form of restricted shares, stock options (which may constitute incentive stock options (ISO) or nonstatutory stock options (NSO)), stock appreciation rights and stock unit grants to eligible employees, directors and consultants and is administered by the board of directors. A total of 10 million shares of stock are reserved for issuance under the 2006 Plan. As of September 30, 2007, there were 7,436,703 options and 183,937 restricted shares outstanding under the 2006 Plan and 2,379,360 shares available for issuance of awards. The 2006 Plan provides that in any calendar year, no eligible employee or director shall be granted an award to purchase more than 3 million shares of stock. The option price for each share of stock subject to an option shall be (i) no less than the fair market value of a share of stock on the date the option is granted, if the option is an ISO, or (ii) no less than 85% of the fair market value of the stock on the date the option is granted, if the option is a NSO; provided, however, if the option is an ISO granted to an eligible employee who is a 10% shareholder, the option price for each share of stock subject to such ISO shall be no less



than 110% of the fair market value of a share of stock on the date such ISO is granted. Stock options have a maximum term of ten years from the date of grant, except for ISOs granted to an eligible employee who is a 10% shareholder, in which case the maximum term is five years from the date of grant. ISOs may be granted only to eligible employees.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table presents information regarding the beneficial ownership of our common stock as of January 1, 2008 by each of our executive officers, each of our directors, all of our directors and executive officers as a group, and each stockholder known by us to be the beneficial owner of more than 5% of our common stock.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Shares of our common stock subject to options from the Company that are currently exercisable or exercisable within 60 days of January 1, 2008

10

are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

The information presented in this table is based on 25,299,547 shares of our common stock outstanding on January 1, 2008. Unless otherwise indicated, the address of each of the named executive officers, directors, director nominees and 5% or more stockholders named below is c/o CNS Response, Inc., 2755 Bristol St., Suite 285, Costa Mesa, CA 92626.

NAME OF BENEFICIAL OWNER -----	NUMBER OF SHARES BENEFICIALLY OWNED	
	NUMBER -----	PERCENTAGE OF SHARES OUTSTANDING -----
EXECUTIVE OFFICERS AND DIRECTORS:		
Leonard Brandt (1) Director, Chief Executive Officer and Secretary	9,078,888	31.1%
David B. Jones(2) Director	4,338,521	16.4%
Dr. Jerome Vaccaro Director (3)	15,000	*
Dr. Henry Harbin Director (4)	18,000	*
Horace Hertz Chief Financial Officer (5)	217,084	*
George Carpenter President (6)	121,109	*
Directors and officers as a group (6 persons) (7)	13,788,602	44.7%
5% STOCKHOLDERS:		
Stephen C. Suffin (8)	1,260,316	5.0%
Sail Venture Partners LP (2)	4,338,521	16.4%
Brian MacDonald(9)	2,092,128	8.0%
W. Hamlin Emory (10)	1,312,866	5.1%
Heartland Value Fund (11)	2,340,000	9.1%
EAC Investment Limited Partnership (12)	1,766,279	6.8%

Segregated Portfolio;  
 Partner Healthcare Offshore Fund, Ltd.;  
 Partner Healthcare Fund, L.P. (13) 1,625,000 6.3%

\* Less than 1%

(1) Consists of (a) 5,138,991 shares of common stock (including 540,000 shares owned by Mr. Brandt's children), and 3,939,897 shares of common stock issuable upon the exercise of vested and exercisable options and warrants held by Mr. Brandt.

11

(2) Consists of (a) 3,109,406 shares of Common Stock and (b) 1,229,115 shares of Common Stock issuable upon the exercise of vested and exercisable warrants held by Sail Venture Partners, LP. Sail Venture Partners, LLC is the general partner of Sail Venture Partners, L.P.. The unanimous vote of the managing members of Sail Venture Partners, LLC (who are Walter Schindler, Alan Sellers, Thomas Cain, and David B. Jones), is required to voting and make investment decisions over the shares held by this selling stockholder. The address of Sail Venture Partners, L.P. is 600 Anton Blvd., Suite 1750, Costa Mesa, CA 92626.

(3) Consists of options to acquire 15,000 shares of common stock issuable upon the exercise of vested and exercisable options.

(4) Consists of options to acquire 18,000 shares of common stock issuable upon the exercise of vested and exercisable options.

(5) Consists of options to acquire 217,084 shares of common stock issuable upon the exercise of vested and exercisable options.

(6) Consists of options to acquire 121,109 shares of common stock issuable upon the exercise of vested and exercisable options.

(7) Consists of 8,248,397 shares of common stock and 5,540,205 shares of common stock issuable upon the exercise of vested and exercisable options and warrants.

(8) Consists of 965,422 shares of common stock and 294,894 shares of common stock issuable upon the exercise of vested and exercisable options and warrants held by Mr. Suffin.

(9) Consists of 1,242,375 shares of common stock and 849,753 shares of common stock issuable upon the exercise of vested and exercisable options to purchase common stock. The address of Brian MacDonald is 4007 Beard Ave. South, Minneapolis, MN 55410.

(10) Consists of 1,015,334 shares of common stock and 297,532 shares of common stock issuable upon the exercise of vested and exercisable options to purchase common stock. The address of Mr. Emory is 9663 Santa Monica Blvd., Suite 221, Beverly Hills, CA 90210.

(11) Consists of 1,800,000 shares of common stock and 540,000 shares reserved for issuance upon exercise of warrants to purchase common stock. Heartland Group Value Fund is affiliated with Hartland Investor Services, LLC, a registered broker/dealer and member of NASD. Heartland Group Value Fund purchased or otherwise acquired its shares in the ordinary course of business and, at the time of such purchase/acquisition, had no agreements or understandings, directly or indirectly, with any person, to distribute the securities to be resold. Mr. Paul T. Beste, Vice President & Secretary of Heartland Group Inc., exercises voting and investment authority over the shares held by this selling stockholder. The address of the selling stockholder is c/o Brown Brothers Harriman, 140 Broadway St., New York, NY 10005.

(12) Consists of 1,249,846 shares of common stock and 516,433 shares of common stock issuable upon the exercise of warrants to purchase common stock. Anthony Morgenthau exercises voting and investment authority over the shares held by this selling stockholder. The address of the selling stockholder is 380 Leucadendra Drive, Cora Gables, FL 33156.

(13) Consists of 224,110 shares of common stock and 67,233 shares reserved for issuance upon exercise of warrants to purchase common stock held by LMA SPC for and on behalf of Map 2 Segregated Portfolio; 651,090 shares of common stock and 195,327 shares reserved for issuance upon exercise of certain warrants to purchase common stock held by Partner Healthcare Fund, LP, and 374,800 shares of common stock and 112,440 shares reserved for issuance upon exercise of warrants to purchase common stock held by Partner Healthcare Offshore Fund, Ltd. Eric Moore, as the Chief Financial Officer of Partner Healthcare Offshore Fund, Ltd., exercises voting and investment authority over the shares held by Partner Healthcare Offshore Fund, Ltd. Eric Moore, as the Chief Financial Officer of Partner Healthcare Fund, L.P., exercises voting and investment authority over the shares held by Partner Healthcare Fund, L.P.. Robert P. Swan, as Director, exercises voting and investment authority over the shares held by LMA SPC for and on behalf of Map 2 Segregated Portfolio. The address of each of the stockholders is One Market Plaza, Steuart Tower, 22nd Floor, San Francisco, CA 94105.

12

CHANGES IN CONTROL

We do not have any arrangements which may at a subsequent date result in a change in control.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth certain information regarding our equity compensation plans as of September 30, 2007.

<TABLE>  
<CAPTION>

EQUITY PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER COMPENSATION PLANS
<S>	<C>	<C>	<C>
Equity compensation plans approved by security holders.....	7,436,703	\$0.57	17,379,360
Equity compensation plans not approved by security holders.....	0	0	0
Total.....	7,436,703	\$0.57	17,379,360

</TABLE>

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

CNS CALIFORNIA

Except as follows, since September 30, 2005, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which CNS California is or will be a party:

- o in which the amount involved exceeds the lesser of \$120,000 or 1% of the average of our total assets at year-end for the last three completed fiscal years; AND
- o in which any director, executive officer, other stockholders of more than 5% of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

From August 2000 through February 2003, Leonard J. Brandt, together with Meyerlen, LLC, a company in which Mr. Brandt owned a controlling interest, loaned CNS California a total of approximately \$718,900 and purchased warrants to purchase approximately 945,750 shares of CNS California common stock, pursuant to the terms of certain Note and Warrant Purchase Agreements. In October 2006, Mr. Brandt agreed to cancel the promissory notes and convert the loans, including all outstanding principal and accrued interest thereon, into 1,218,741 shares of CNS California's Series A-1 Preferred Stock and 255,306 shares of CNS California's Series A-2 Preferred Stock. At the closing of the Merger, the 1,218,741 shares of CNS California's Series A-1 Preferred Stock and 255,306 shares of CNS California's Series A-2 Preferred Stock converted into an aggregate of 1,474,047 shares of our Common Stock. Subsequent to the closing of the Merger, Meyerlen, LLC was dissolved, and ownership of all of the shares of our Common Stock formerly held by Meyerlen, LLC were distributed to Mr. Brandt.

In connection with the consummation of an asset purchase transaction in January 2000, by and between Mill City/CNS, LLC and NuPharm, Mill City issued to NuPharm Database, LLC a certain Promissory Note dated January 11, 2000 (the "Original NuPharm Note") pursuant to which Mill City was obligated to pay NuPharm an aggregate principal amount of \$299,923.00 together with interest pursuant to the payment schedule set forth in the Original NuPharm Note. In January 2000, Mill City contributed substantially all of its assets, including those securing the Original Note, to CNS California, and CNS California assumed

certain debts and obligations of Mill City, including Mill City's obligations under the Original NuPharm Note. In October 2006, CNS California entered into an agreement with NuPharm to cancel the Original NuPharm Note in consideration for the extension of the expiration date of a Warrant to purchase CNS California

Common Stock held by NuPharm and a new promissory note in the principal amount of \$287,423 (the "New NuPharm Note"). Upon the closing of the Private Placement, the principal and accrued interest through December 31, 2006 on the New NuPharm Note automatically converted into 244,509 shares of our Common Stock.

In May 2005, April 2006 and July 2006, Odyssey Venture Partners II, L.P. (now called Sail Venture Partners LP) of which David Jones is a partner, loaned CNS California an aggregate of approximately \$999,400 and purchased warrants to purchase approximately 523,305 shares of CNS California common stock, pursuant to the terms of certain Note and Warrant Purchase Agreements. In October 2006 Odyssey Venture Partners II, L.P. agreed to cancel the promissory notes and convert the loans, including all outstanding principal and accrued interest thereon, into 1,693,899 shares of CNS California's Series A-1 Preferred Stock and 52,907 shares of CNS California's Series A-2 Preferred Stock. At the closing of the Merger, the 1,693,899 shares of CNS California's Series A-1 Preferred Stock and 255,306 shares of CNS California's Series A-2 Preferred Stock converted into an aggregate of 1,949,205 shares of our Common Stock.

On August 11, 2006, Mr. Brandt was granted an option to purchase 2,124,740 shares of CNS California's common stock for an exercise price of \$0.132 per share pursuant to CNS California's 2006 Stock Incentive Plan. At the closing of the Merger, the option to purchase 2,124,740 shares of CNS California's common stock was converted into the right to purchase an aggregate of 2,124,740 shares of our Common Stock at an exercise price of \$0.132 per share.

In September 2006, CNS California entered into multiple settlement agreements with its employees and consultants with respect to compensation accrued for services provided to CNS California. Pursuant to CNS California's settlement agreement with Mr. Brandt, CNS California issued to Mr. Brandt 1,519,366 shares of its common stock in settlement of accrued compensation due in the amount of \$1,258,705. In connection with this settlement, CNS California loaned Mr. Brandt approximately \$91,700 to pay the withholding tax on the value of such shares, which loan was evidenced by a promissory note. Immediately following the closing of the Merger, the loan to Mr. Brandt was repaid by Mr. Brandt returning to us 78,219 shares of our common stock having a value equal to the loan amount plus accrued interest thereon. Under a separate Settlement Agreement, Mr. Brandt was issued 1,827,827 shares of CNS California's common stock in settlement of amounts owed for reimbursement for business expenses paid by Mr. Brandt through July 2006. At the closing of the Merger, the 1,519,366 shares of CNS California's common stock issued pursuant to the first of the aforementioned settlement agreements, and the 1,827,827 shares of CNS California's common stock issued pursuant to the second of the aforementioned settlement agreements converted into an aggregate of 3,347,193 shares of our Common Stock.

In October 2006, Odyssey Venture Partner II, L.P. (now called Sail Venture Partners LP) invested \$800,000 in CNS California's mezzanine financing and received 792,080 shares of CNS California's Series B Preferred Stock and warrants to purchase 475,248 shares of CNS California's common stock. David B. Jones is one of the two board members that were designated by the holders of CNS California's Series B Preferred Stock pursuant to a Voting Agreement entered into in connection with the mezzanine financing and note conversion transaction. At the closing of the Merger, David B. Jones was appointed as a director of the company.

14

CNS RESPONSE, INC. (A DELAWARE CORPORATION)

Other than the transactions described below, since September 30, 2005, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or will be a party:

- o in which the amount involved exceeds the lesser of \$120,000 or 1% of the average of our total assets at year-end for the last three completed fiscal years; and
- o in which any director, executive officer, shareholder who beneficially owns 5% or more of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

NeoTactix, Inc. Consulting Agreement

Prior to the Merger, on June 22, 2004, the Company and NeoTactix (NTX) entered into a Business Consulting Agreement ("NeoTactix Agreement") pursuant to which NeoTactix agreed to provide certain business consulting services, in exchange for 4,500,000 shares of the Company's common stock (on a pre-reverse stock split basis). On August 24, 2004, our board elected both managing partners of NTX, Scott Absher and George LeFevre, to our board of directors, and also elected Mr. Absher as CEO and Mr. LeFevre as CFO and Secretary. The Company and NTX agreed that the compensation shares issued by the Company to affiliates of

NTX would be cancelled and returned to the Company if, prior to October 31, 2005, the Company had not achieved certain benchmarks pursuant to the NeoTactix Agreement. On October 5, 2005, the NeoTactix Agreement was extended to October 31, 2006. On May 31, 2006, the Board of the Company approved the waiver of the forfeiture clause contained in the NeoTactix Agreement and it was deemed fully performed, and then terminated.

#### Stock Purchase Agreement

Prior to the Merger, on July 18, 2006, the Company entered into a Stock Purchase Agreement with seventeen accredited investors pursuant to which the Company agreed to issue 3,800,000 shares of the Company's common stock (76,000 shares of our common stock after taking into account our 1-for-50 reverse stock split which became effective on January 10, 2007) to the purchasers. The Company received an aggregate of \$237,669 as consideration for the share issuance. In addition, these investors acquired shares in private transactions with certain of our stockholders, and acquired a majority stake in our issued and outstanding shares. In connection with these transactions, effective July 18, 2006, Mr. Scott Absher and Mr. George LeFevre resigned as officers and members of the board of directors, and Mr. Silas Phillips was appointed our Chief Executive Officer, Chief Financial Officer, Secretary, and sole director. Mr. Phillips was an investor in this private placement.

#### Debt Cancellation Agreements

Prior to the Merger, on July 28, 2006, Scott Absher, our former CEO, was paid a sum of \$33,943 in full satisfaction of outstanding debt payable to him by the Company pursuant to a Debt Cancellation Agreement. The remaining balance of \$47,612 including accrued interest was forgiven. Our former CFO, George LeFevre, also agreed to forgive all of his outstanding debt, including accrued interest, of \$12,353 payable to the Company pursuant to a separate Debt Cancellation Agreement.

15

#### Notes Payable

Prior to the Merger, on July 28, 2006, the principal balance of the notes payable to related parties of \$28,800 were satisfied. All related interest was forgiven by related parties.

#### Private Placement

On March 7, 2007, Odyssey Venture Partners II, L.P. (now called Sail Venture Partners LP), invested an aggregate of \$447,000 in our Private Placement and in exchange were issued 372,500 shares of our Common Stock and a warrant to purchase 111,750 shares of our common stock at an exercise price of \$1.80 per share. Mr. Jones, a director of the company, is a partner of Sail Venture Partners, L.P.

#### Transactions with Henry Harbin

Prior to his appointment as a Director, Dr. Harbin has been party to several transactions with us. On March 7, 2007, Dr. Harbin participated in the first closing of our private placement transaction (the "Private Placement"), pursuant to which we received gross proceeds of approximately \$7.0 million from institutional investors and other high net worth individuals. In the first closing of the Private Placement, we sold 5,840,374 "Investment Units" at \$1.20 per Investment Unit. Each Investment Unit consists of one share of our common stock, and a five year non-callable warrant to purchase three-tenths of one share of our common stock, at an exercise price of \$1.80 per share. Mr. Harbin received 8,334 shares of our common stock and a warrant to purchase 2,501 shares of our common stock as a result of his investment in the company.

In addition, since June 2007, Dr. Harbin has acted as a strategic advisor to the company, and has advised us on our marketing initiatives. As compensation for his services as an advisor, on August 8, 2007, we granted Dr. Harbin a non-qualified option to purchase 24,000 shares of our common stock at an exercise price of \$1.09 per share. Options to purchase 6,000 shares vested on the date of grant, and the remaining 18,000 shares vest in equal installments of 2,000 shares on each monthly anniversary of the grant date for a period of nine months.

#### TRANSACTIONS WITH PROMOTERS AND CONTROL PERSONS

Prior to the Merger, which closed on March 7, 2007, Strativation, Inc. (now called CNS Response, Inc.) existed as a "shell company" with nominal assets whose sole business was to identify, evaluate and investigate various companies to acquire or with which to merge.

#### Shares for Debt Agreement

Prior to the Merger, on January 11, 2007, we entered into a Shares For

Debt Agreement with Richardson & Patel LLP ("R&P"), our former legal counsel, pursuant to which we agreed to issue and R&P agreed to accept 645,846 restricted shares of our common stock (the "Shares") as full and complete settlement of a portion of the total outstanding debt in the amount of \$261,202 that we owed to R&P for legal services (the "Partial Debt"). On January 15, 2007, the company and R&P agreed to amend and restate the Shares for Debt Agreement to increase the number of Shares to be issued in settlement of such Partial Debt to 656,103 restricted shares of our common stock, which then represented 75.5% of our issued and outstanding common stock.

16

#### Registration Rights Agreement

On January 11, 2007, we entered into a Registration Rights Agreement in connection with the above referenced Shares For Debt Agreement with R&P and various other stockholders of the Corporation signatory thereto ("Majority Stockholders") in connection with the shares of the company acquired pursuant to the Shares For Debt Agreement and certain other previously disclosed or privately negotiated transactions that took place on or around July 18, 2006. On January 15, 2007, the company and the Majority Stockholders agreed to amend and restate the Registration Rights Agreement to provide registration rights to the Majority Stockholders for up to 767,101 shares of our common stock held or to be acquired by them.

#### Merger Agreement

On January 16, 2007, we entered into an Agreement and Plan of Merger with CNS Response, Inc., a California corporation (or CNS California), and CNS Merger Corporation, a California corporation and our wholly-owned subsidiary that was formed to facilitate the acquisition of CNS California. On March 7, 2007, the merger with CNS California closed, CNS California became our wholly-owned subsidiary, and we changed our name from Strativation, Inc. to CNS Response, Inc..

At the Effective Time of the Merger (as defined in the Merger Agreement, as amended on February 23, 2007), MergerCo was merged with and into CNS California, the separate existence of MergerCo ceased, and CNS California continued as the surviving corporation at the subsidiary level. We issued an aggregate of 17,744,625 shares of our common stock to the stockholders of CNS California in exchange for 100% ownership of CNS California. Additionally, we assumed an aggregate of 8,407,517 options to purchase shares of common stock and warrants to purchase shares of common stock on the same terms and conditions as previously issued by CNS California. Pursuant to the merger agreement, our former sole director and executive officer, Silas Phillips, resigned as a director and executive officer of our company effective as of the closing of the Merger, and the directors and officers of CNS California were appointed to serve as directors and officer of our company. Except for the Merger Agreement, as amended, and the transactions contemplated by that agreement, neither CNS California, nor the directors and officers of CNS California serving prior to the consummation of the Merger, nor any of their associates, had any material relationship with us, or any of our directors and officers, or any of our associates prior to the merger. Following the Merger, the business conducted by the company is the business conducted by CNS California.

#### ITEM 13. EXHIBITS

See attached Exhibit Index.

#### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

##### AUDIT FEES

The aggregate fees billed for professional services rendered by Cacciamatta Accountancy Corporation for professional services rendered for the audit of our annual financial statements and review of the financial statements included in our Form 10-QSB's or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for fiscal years 2007 and 2006 were \$137,000 and \$78,500, respectively.

The aggregate fees billed for professional services rendered by Spector & Wong, LLP for professional services rendered for the audit of our annual financial statements and review of the financial statements included in our Form

17

10-QSB or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for fiscal year 2006 was \$17,500.

##### AUDIT-RELATED FEES

Cacciamatta Accountancy Corporation billed us an aggregate of approximately \$0 and \$0 in fees for assurance and related services related to the performance of the audit or review of our financial statements for the fiscal years ended September 30, 2007 and September 30, 2006, respectively.

Spector & Wong, LLP billed us an aggregate of \$0 in fees for assurance and related services related to the performance of the audit or review of our financial statements for the fiscal year ended December 31, 2006.

#### TAX FEES

The aggregate fees to be billed by Cacciamatta Accountancy Corporation for professional services rendered for tax compliance, tax advice, and tax planning during our fiscal years ending September 30, 2006 and September 30, 2007 were \$0 and \$0, respectively.

The aggregate fees to be billed by Spector & Wong for professional services rendered for tax compliance, tax advice, and tax planning during our fiscal year ending December 31, 2006 was \$1,000.

#### ALL OTHER FEES

None.

#### AUDIT COMMITTEE POLICIES AND PROCEDURES

Our Audit Committee, which consists of our entire Board of Directors, is directly responsible for interviewing and retaining our independent accountant, considering the accounting firm's independence and effectiveness, and pre-approving the engagement fees and other compensation to be paid to, and the services to be conducted by, the independent accountant. During each of the fiscal years ended September 30, 2007 and September 30, 2006, respectively, our Board of Directors pre-approved 100% of the services described above.

18

#### SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CNS RESPONSE, INC.

By: /s/ Leonard J. Brandt

-----  
Leonard J. Brandt  
Chief Executive Officer  
(Principal Executive Officer)

Date: January 23, 2008

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	DATE ----
/s/ Leonard J. Brandt ----- Leonard J. Brandt	Chief Executive Officer, Chairman of the Board, Secretary (Principal Executive Officer)	January 23, 2008
/s/ George Carpenter ----- George Carpenter	President	January 23, 2008
/s/ Horace Hertz ----- Horace Hertz	Chief Financial Officer (Principal Financial and Accounting Officer)	January 23, 2008
/s/ David B. Jones ----- David B. Jones	Director	January 23, 2008
----- Jerome Vaccaro, M.D.	Director	

EXHIBIT INDEX

EXHIBIT NUMBER -----	EXHIBIT TITLE -----
2.1	Agreement and Plan of Merger between Strativation, Inc., CNS Merger Corporation and CNS Response, Inc. dated as of January 16, 2007. Incorporated by reference to Exhibit No. 10.1 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on January 22, 2007.
2.2	Amendment No. 1 to Agreement and Plan of Merger by and among Strativation, Inc., CNS Merger Corporation, and CNS Response, Inc. dated as of February 28, 2007. Incorporated by reference to Exhibit No. 10.1 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on March 1, 2007.
3.1.1	Certificate of Incorporation, dated March 17, 1987. Incorporated by reference to Exhibit No. 3(i) to the Registrant's Form 10-SB (File No. 000-26285) filed with the Commission on June 7, 1999.
3.1.2	Certificate of Amendment of Certificate of Incorporation, dated June 1, 2004. Incorporated by reference to Exhibit 16 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on June 8, 2004.
3.1.3	Certificate of Amendment of Certificate of Incorporation, dated August 2, 2004. Incorporated by reference to Exhibit 16 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on August 5, 2004.
3.1.4	Certificate of Ownership and Merger Merging CNS Response, Inc., a Delaware corporation, with and into Strativation, Inc., a Delaware corporation, dated March 7, 2007. Incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on March 13, 2007.
3.2	Bylaws. Incorporated by reference to Exhibit No. 3(ii) to the Registrant's Form 10-SB (File No. 000-26285) filed with the Commission on June 7, 1999.
4.1	2006 CNS Response, Inc. Option Plan. Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 10-QSB (File No. 000-26285) filed with the Commission on May 15, 2007.*
4.2	Form of Warrant issued to Investors in Private Placement. Incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on March 13, 2007.
10.1	Stock Purchase Agreement by and among the Registrant and George LeFevre, Scott Absher, and the purchasers signatory thereto dated July 18, 2006. Incorporated by reference from the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on July 24, 2006.
10.2	Amended and Restated Shares for Debt Agreement, dated January 16, 2007 by and between the Registrant and Richardson & Patel LLP 2007. Incorporated by reference to Exhibit No. 10.1 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on January 16, 2007.
10.3	Amended and Restated Registration Rights Agreement, dated January 16, 2007 by and among the Registrant and the stockholders signatory thereto. Incorporated by reference to Exhibit No. 10.2 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on January 16, 2007.
10.4	Form of Subscription Agreement between the Registrant and certain investors, dated March 7, 2007. Incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on March 13, 2007.



EXHIBIT NUMBER -----	EXHIBIT TITLE -----
10.5	Form of Indemnification Agreement by and among the Registrant, CNS Response, Inc., a California corporation, and certain individuals, dated March 7, 2007. Incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on March 13, 2007.
10.6	Form of Registration Rights Agreement by and among the Registrant and certain Investors signatory thereto dated March 7, 2007. Incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on March 13, 2007.
10.7	Form of Registration Rights Agreement by and among the Registrant and certain stockholders of the Company signatory thereto dated March 7, 2007. Incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on March 13, 2007.
10.8	employment Agreement by and between the Registrant and George Carpenter dated October 1, 2007. Incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on October 3, 2007.*
14.1	CNS Response, Inc. Code of Ethical Conduct
21.1	Subsidiaries of the Registrant. Incorporated by reference to Exhibit 21 to the Registrant's Current Report on Form 8-K (File No. 000-26285) filed with the Commission on March 13, 2007.
24.1	Power of Attorney (included as part of the Signature Page of the form 10-KSB) (1)
31.1	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

-----  
 \* Management contract or compensatory plan or arrangement.  
 (1) Previously filed.

## CNS RESPONSE, INC.

## CODE OF ETHICAL CONDUCT

CNS Response, Inc. (the "COMPANY") is committed to conducting its business on a high ethical plane based on honesty, integrity, and fair commercial competition. This Code of Ethical Conduct (this "CODE") applies to all directors, officers and employees (with all three groups being referred to as "EMPLOYEES") of the Company and is intended to provide a clear understanding of the ethical principles of business conduct expected of each employee. Compliance with these standards is vital to the integrity and continued well being of our business and our employees.

Our code is designed to embody rules regarding individual and peer responsibilities, as well as responsibilities to our employees, customers, suppliers, stockholders, the public and other stakeholders, and includes our goals in furthering:

1. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. The avoidance of conflicts of interest, including disclosure to an appropriate person or persons identified in this Code of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
3. Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;
4. Compliance with applicable governmental laws, rules and regulations;
5. The prompt internal reporting to an appropriate person or persons of any violations of the Code; and
6. Accountability for adherence to the Code.

Today, all corporations are under high levels of scrutiny and are held to increasingly higher levels of accountability. As a result, the Board of Directors has reaffirmed its strong commitment that Company business practices be conducted in accordance with the highest professional, ethical, legal and moral standards.

We believe that long-term, trusting business relationships are built by being honest, open and fair. We promise to uphold the highest professional standards in all global business operations. We also expect that those with whom we do business (including suppliers, customers or re-sellers) will adhere to this Code. Outstanding employees are key to our success. Everyone is part of the company team, and each of us deserves to be treated with dignity and respect. In addition, every employee is responsible for his/her own conduct. No one has the authority to make another employee violate this Code, and any attempt to direct

or otherwise influence someone else to commit a violation is unacceptable. Managers, in particular, set an example for other employees and are often responsible for directing the actions of others. We require all employees, including managers, to know and understand this Code, as it applies personally to the employee or manager and to those under his/her supervision. The fundamental principle that underlies the way we do business is good judgment. An understanding of our legal and ethical parameters enhances that judgment. We have a responsibility to pay constant attention to all legal boundaries and to comply with all applicable laws and regulations in all of our operations. We have the same obligation to the communities in which we do business and to the customers with whom we do business. For everyone at the Company, this means following the spirit of the law and doing the right, ethical thing even when the law is not specific.

This Code outlines the broad principles of legal and ethical business conduct embraced by the Company. It is not a complete list of legal or ethical questions an employee might face in the course of business, and therefore, this code must be applied using common sense and good judgment. Although we realize that no two situations are alike, we aim for consistency and balance when encountering any ethical issues. It is essential that we all keep an eye out for possible infringements of our business ethics - whether these infringements occur in dealings with the government or the private sector, and whether they occur because of oversight or intention. Employees who have questions regarding business conduct or possible violations should promptly contact their immediate

supervisor, or the Company's outside counsel, Scott Alderton, at [salderton@biztechlaw.com](mailto:salderton@biztechlaw.com). You may also contact the Board of Directors at:

- o [BOARD@cnsresponse.com](mailto:BOARD@cnsresponse.com), or
- o if you are concerned about maintaining anonymity, you may send correspondence to the following outside private mail box on a confidential and anonymous basis at Stubbs, Alderton & Markiles, LLP, 15260 Ventura Boulevard, 20th Floor, Sherman Oaks, CA 91403, Attn: Scott Alderton, Esq.

It is against the Company policy to retaliate against any employee for good faith reporting of violations of this Code, and the Company will not tolerate any such retaliation.

Please read this Code carefully. We are confident that each of us will comply with this Code and thereby help maintain our reputation for the highest standards of business integrity. However, please note that those who violate this Code will be subject to disciplinary action, up to an including termination of employment.

2

#### OVERALL ETHICAL CONDUCT

#### BUSINESS ETHICS

It is essential that we all keep an eye out for possible infringements of the Company's business ethics - whether these infringements occur in dealings with the government or the private sector, and whether they occur because of oversight or intention. Company employees who have knowledge of possible violations should notify the Company's Counsel. To assist employees in the day-to-day protection of our business ethics, we've compiled a list of some areas where breaches may occur:

- o Improper or excessive payments of any of the following:
  - o Employee bonuses or compensation agreements
  - o Consulting fees
  - o Director & officer payments
  - o Miscellaneous expenses
  - o Insurance premiums
  - o Nondeductible expenses
  - o Employee loans
  - o Public relations fees
  - o Legal fees
  - o Commissions
  - o Other professional fees
  - o Expense reports
- o Questionable payments to agents, consultants, or professionals whose backgrounds have not been adequately investigated, who do not have signed contracts or letters of engagement, or whose association with the Company would be embarrassing if exposed;
- o Payroll-related expenditures, bonuses, awards, and non-cash gifts given to or by the Company employees without proper approval and adequate documentation;
- o Payments made in cash or checks drawn to Cash or Bearer or bank accounts/property titles not in the Company's name;
- o Transfers to or deposits in the bank account of an individual, rather than in the account of the company with which we are doing business;
- o Billings made higher or lower than normal prices for fees, at a customer's request;
- o Payments made for any purpose other than that described in supporting documents;

3

- o Payments made to employees of customers or agencies through intermediary persons or organizations, or that seem to deviate from normal business transactions;
- o Any large, abnormal, unexplained, or individually approved contracts, or expenditures made without review of supporting

documentation;

- o Unusual transactions occurring with nonfunctional, inactive, or shell subsidiaries or undisclosed or unrecorded assets or liabilities;
- o Use of unethical or questionable means to obtain information, including information about competitors, information concerning government acquisition plans, or any procurement decision or action;
- o An employment, consulting, or business relationship between a Company employee and another company, especially in the same or related business; and
- o Frequent trading (buying and selling over short intervals) in Company stock or the stock of a company with which we do business.

These are examples of possible infringements that Company employees need to avoid. Employees should feel free to discuss any concerns about this policy with the Company's Counsel.

#### CONFLICTS OF INTEREST

Employees are expected to make or participate in business decisions and actions in the course of their employment with the Company based on the best interests of the company as a whole, and not based on personal relationships or benefits. Conflicts of interest can compromise employees' business ethics. Employees are expected to apply sound judgment to avoid conflicts of interest that could negatively affect the Company or its business. At the Company, a conflict of interest is any activity that is inconsistent with or opposed to the Company's interests, or gives the appearance of impropriety.

Employees should avoid any relationship that would cause a conflict of interest with their duties and responsibilities at the Company. Employees are expected to disclose to us any situations that may involve inappropriate or improper conflicts of interests affecting them personally or affecting other employees or those with whom we do business. Waivers of conflicts of interest involving executive officers require the approval of the Board of Directors or an appropriate committee, and will be promptly disclosed as required by law or stock exchange regulation.

Members of the Company's Board of Directors have a special responsibility because our Directors are prominent individuals with substantial other responsibilities. To avoid conflicts of interest, Directors are expected to disclose to their fellow Directors any personal interest they may have in a

4

transaction upon which the Board passes and to recuse themselves from participation in any decision in which there is a conflict between their personal interests and the interest of the Company.

Set forth below is specific guidance for some areas of potential conflicts of interest that require special attention. It is not possible to list all conflicts of interest. These are examples of the types of conflicts of interest that the Company employees are expected to avoid. Ultimately, it's the responsibility of each individual to avoid any situation that could appear to be a conflict of interest. Employees are urged to discuss any potential conflicts of interest with Scott Alderton, the Company's Counsel.

INTEREST IN OTHER BUSINESSES. Company employees and members of their immediate families must avoid any direct or indirect financial relationship with other business that could cause divided loyalty. Company employees must receive written permission from the Company before beginning any employment, business, or consulting relationship with another company. This doesn't mean that family members are precluded from being employed by one of the Company's customers, competitors, or suppliers. However, Company employees must avoid conducting Company business with members of their families - or others with whom they have a significant personal relationship - unless they have prior written permission from the Company.

OUTSIDE DIRECTORSHIPS. The Company encourages its employees to be active in industry and civic associations, including membership in other companies' Boards of Directors. Employees who serve on outside boards of a profit making organization are required, prior to acceptance, to obtain written approval from the Company's Board. As a rule, employees may not accept a position as an outside director of any current or likely competitor of the Company. Furthermore, in the absence of an overriding benefit to the Company and a procedure to avoid any financial conflict (such as refusal of compensation and recusal from involvement in the other company's relationship with the Company), approval is likely to be denied where the Company employee either directly or

through people in his or her chain of command has responsibility to affect or implement the Company's business relationship with the other company. Approval of a position as a director of a company that supports or promotes a competitor's products or services is also likely to be denied.

If the committee approves an outside directorship, employees may keep compensation earned from that directorship unless the terms of the committee's approval state otherwise. Generally, however, employees may not receive any form of compensation (including stock options, IPO stock or cash) for service on a board of directors of a company if the service is at the request of the Company or in connection with the Company's investment in, or a significant relationship exists with, that company and the directorship is as a consequence or in connection with that relationship. Any company that is a vendor, supplier, partner or customer of the Company has a "relationship" with the Company. "Significant" is broadly defined to include a sole-source vendor/supplier, or one in which the Company is responsible for generating five percent or more of

5

the outside company's revenues. When membership on a Board of Directors is other than at the Company's request, and even if no compensation is received, a potential for conflict of interest exists, and therefore the Company employee is expected to recuse him- or herself from any involvement in the Company's relationship with that outside company. It is therefore important that Company employees recognize that their membership should be an opportunity to provide expertise and to broaden their own experience, but they should not be put in a position where the other company expects to use the person's board membership as a way to get access or to influence Company decisions.

The Company may at any time rescind prior approvals in order to avoid a conflict or appearance of a conflict of interest for any reason deemed to be in the best interests of the Company. In addition, the Company will periodically conduct an inquiry of employees to determine the status of their membership on outside boards.

INVESTMENTS IN PUBLIC COMPANIES. Passive investments of not more than one percent of total outstanding shares of companies listed on a national or international securities exchange, or quoted daily by NASDAQ or any other board, are permitted without the Company's approval - provided the investment is not so large financially either in absolute dollars or percentage of the individual's total investment portfolio that it creates the appearance of a conflict of interest. Any such investment must not involve the use of confidential "inside" or proprietary information, such as confidential information that might have been learned about the other company on account of the Company's relationship with the other company. Investments in diversified publicly traded mutual funds are not deemed subject to these conflict of interest guidelines, provided confidentiality requirements are observed.

INVESTMENTS IN PRIVATE COMPANIES. Company employees will occasionally find themselves in a position to invest in the Company's partners or customers. It is imperative that employees presented with such opportunities understand the potential conflict of interest that may occur in these circumstances. Company employees must always serve our stockholders first. Investing in other companies that the Company has an actual or potential business relationship with may not be in our stockholders' best interests. The following guidelines are intended to cover such circumstances:

Company employees may not invest in privately held companies that are the Company's customers, partners or suppliers without disclosure to the Company. Where the employee either directly or through people in his/her chain of command has responsibility to affect or implement the Company's relationship with the other company, approval of the Company is required; however, in such cases approval is likely to be denied.

Such situations may put the Company employee in a conflict of interest between furthering their personal interests versus the interests of the Company, hence the likelihood of denial. Employees in those circumstances should not invest in the company in question.

6

If an investment is made and/or approval is granted, and the employee subsequently finds him or herself in a potentially conflicted position due to his or her job responsibilities or those of others in his or her chain of command, the Company employee is expected to recuse him- or herself from any involvement in the Company's relationship with that other company. (If the conflict is so fundamental as to undermine the employee's ability to undertake an important job activity, a discussion of possible divestiture may be required). Furthermore, with respect to any investment or financial interest in a third party, employees should be extremely cautious to avoid activities such as recommending or introducing the other company to other parts of our Company's

organization unless there is a clear disclosure of the financial interest.

If an employee happens to have an investment in a company and transitions into a role that would place him/her in a conflict of interest position (such as those described above), the employee should disclose the situation in writing to his/her manager and HR Representative. Efforts will be made to resolve the situation equitably on a case-by-case basis.

Where the Company has made an investment in another company, permission must be obtained before an employee invests in that company. When a Company employee is placed on a board of directors or advisory board to represent the Company, such employee cannot make an investment in that other company without approval from our Board of Directors; and they may not receive compensation for such participation at the Company's request.

INVENTIONS, BOOKS, AND PUBLICATIONS. Company employees must receive written permission from the Company before developing, outside of the Company, any products or intellectual property that is or may be related to the Company's current or potential business.

PROPER PAYMENT. All Company employees should pay for and receive only that which is proper. Company employees should not make payments or promises to influence another's acts or decisions, and Company employees must not give gifts beyond those extended in normal business. Company employees must observe all government restrictions on gifts and entertainment. Employees will not receive payments of any kind from Company customers.

FAVORS, GIFTS, AND ENTERTAINMENT. Company employees and members of their families must not give or receive valuable gifts (including gifts of equipment or money, discounts, or favored personal treatment) to or from any person associated with the Company's vendors or customers. This includes accepting the opportunity to buy "directed shares" (also called "friends and family shares") from another company where the Company employee is now or is likely to become involved in the evaluation, recommendation, negotiation or approval of current or prospective business with that company.

7

This is not intended to preclude the Company from receiving or evaluating appropriate complimentary products or services. Nor is it intended to preclude the Company from making a gift of equipment to a company or organization, provided that the gift is openly given, with full knowledge by the company or organization, and is consistent with applicable law. In all cases, the exchange of gifts must be conducted so there is no appearance of impropriety. Gifts may only be given in accordance with applicable laws, including the U.S. Foreign Corrupt Practices Act.

Advertising novelties, favors, and entertainment are allowed when the following conditions are met:

- o They are consistent with the Company's business practices;
- o They do not violate any applicable law, such as state and federal procurement laws and regulations;
- o They are of limited value (\$50 or less); or
- o Public disclosure would not embarrass the Company.

INDUSTRY ASSOCIATIONS. Membership on boards of industry associations generally do not present financial conflicts of interest. However, employees should be sensitive to possible conflicts with the Company's business interests, if, for instance, the association takes a position adverse to the Company's interests or those of key customers.

8

#### SPECIAL ETHICS OBLIGATIONS FOR EMPLOYEES WITH FINANCIAL REPORTING RESPONSIBILITIES

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Commission be accurate and timely. Depending on their position with the Company, employees may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. The Company expects all of its personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

The Finance Department bears a special responsibility for promoting integrity throughout the organization, with responsibilities to stakeholders both inside and outside of the Company. The Chief Executive Officer, Chief

Financial Officer and Finance Department personnel have a special role both to adhere to these principles themselves and also to ensure that a culture exists throughout the company as a whole that ensures the fair and timely reporting of the Company's financial results and condition.

Because of this special role, the Chief Executive Officer, the Chief Financial Officer and all members of the Company's Finance Department are bound by the following Financial Reporting Code of Ethics, and by accepting the Code of Ethical Conduct, each agrees that he or she will:

- o Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships;
- o Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, government agencies and in other public communications;
- o Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies;
- o Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated;
- o Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage;
- o Share knowledge and maintain skills important and relevant to stakeholder's needs;

9

- o Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and the community;
- o Achieve responsible use of and control over all assets and resources employed or entrusted;
- o Promptly report to the Chief Financial Officer and/or the Board of Directors any conduct that the individual believes to be a violation of law or business ethics or of any provision of the Code of Ethical Conduct, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

Violations of this Financial Reporting Code of Ethics, including failures to report potential violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment. If you believe that a violation of the Financial Reporting Code of Ethics has occurred, please contact the Company's Counsel, Scott Alderton, at [salderton@biztechlaw.com](mailto:salderton@biztechlaw.com). You may also contact the the Board of Directors at:

- o [BOARD@cnsresponse.com](mailto:BOARD@cnsresponse.com), or
- o if you are concerned about maintaining anonymity, you may send correspondence to the following outside private mail box on a confidential and anonymous basis at Stubbs, Alderton & Markiles, LLP, 15260 Ventura Boulevard, 20th Floor, Sherman Oaks, CA 91403, Attn: Scott Alderton, Esq.

It is against the Company policy to retaliate against any employee for good faith reporting of violations of this Code.

#### LAWS, REGULATIONS AND GOVERNMENT RELATED ACTIVITIES

Violation of governing laws and regulations, whether in the United States or abroad, is both unethical and subjects the Company to significant risk in the form of fines, penalties and damaged reputation. It is expected that each employee will comply with applicable laws, regulations and corporate policies. Specific areas with which employees are expected to comply include:

- o Anti-Trust
- o Insider Trading
- o Foreign Corrupt Practices Act

- o Political Contributions
- o Using Third-Party Copyrighted Material and Proprietary Information

10

#### ANTI-TRUST

The economy of the United States, and of most nations in which the Company does business, is based on the principle that competition and profit will produce high-quality goods at fair prices. To ensure that this principle is played out in the marketplace, most countries have laws prohibiting certain business practices that could inhibit effective competition. The antitrust laws are broad and far-reaching. They touch upon and affect virtually all aspects of the Company's operations. The Company supports these laws not only because they are the law, but also because we believe in the free market and the idea that healthy competition is essential to our long-term success. The Company fully embraces all antitrust laws and avoids conduct that may even give the appearance of being questionable under those laws. Whether termed antitrust, competition, or free trade laws, the rules are designed to keep the marketplace thriving and competitive. In all cases where there is question or doubt about a particular activity or practice, employees should contact the Company's Counsel before proceeding.

#### INSIDER TRADING

If an employee has material, non-public information relating to the Company, it is the Company's policy that neither the employee, nor any person related to the employee, may buy or sell securities of the Company or engage in any other action to take advantage of, or pass on to others, that information. This policy also applies to trading in the securities of any other company, including our customers or suppliers, if employees have material, non-public information about that company which the employee obtained in the course of their employment by the Company.

Transactions that may be necessary or justifiable for independent reasons, including emergency expenditures and transactions planned before the employee learned the material information, are not exceptions. Even the appearance of an improper transaction must be avoided to prevent any potential risk to the Company or the individual trader. Violations of insider trading laws may be punishable by fines and/or imprisonment.

Besides the obligation to refrain from trading while in possession of material, non-public information, employees are also prohibited from "tipping" others. The concept of unlawful tipping includes passing on information to friends or family members under circumstances that suggest that employees were trying to help them make a profit or avoid a loss. Besides being considered a form of insider trading, of course, tipping is also a serious breach of corporate confidentiality. For this reason, employees should be careful to avoid discussing sensitive information in any place (for instance, at lunch, on public transportation, in elevators) where others may hear such information.

In all cases, Company employees should refer to the Company's Insider Trading Policy for further information.

11

#### FOREIGN CORRUPT PRACTICES ACT

The Company requires full compliance with the Foreign Corrupt Practices Act ("FCPA") by all of its employees, consultants and agents. The anti-bribery and corrupt payment provisions of the FCPA make illegal any corrupt offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value to any foreign official, or any foreign political party, candidate or official, for the purpose of:

- o Influencing any act, or failure to act, in the official capacity of that foreign official or party; or
- o Inducing the foreign official or party to use influence to affect a decision of a foreign government or agency, in order to obtain or retain business for anyone, or direct business to anyone.

Payments, offers, promises or authorizations to pay any other person, U.S. or foreign, are likewise prohibited if any portion of that money or gift will be offered, given or promised to a foreign official or foreign political party or candidate for any of the illegal purposes outlined above.

All the Company employees, whether located in the United States or abroad, are responsible for FCPA compliance and the procedures to ensure FCPA



compliance. All managers and supervisory personnel are expected to monitor continued compliance with the FCPA to ensure compliance with the highest moral, ethical and professional standards of the company.

Any action in violation of the FCPA is prohibited. All the Company employees who become aware of apparent FCPA violations should notify the Company's Counsel immediately. Any question or uncertainty regarding compliance with this policy should be brought to the attention of the Company's Counsel.

#### POLITICAL CONTRIBUTIONS

No Company assets - including employees' work time, use of the Company premises, use of Company equipment, or direct monetary payments - may be contributed to any political candidate, political actions committees (also known as, "FACS"), party, or ballot measure without the permission of the Board of Directors. Of course, the Company employees may participate in any political activities of their choice on an individual basis, with their own money and on their own time.

#### USING THIRD-PARTY COPYRIGHTED MATERIAL

Company employees may sometimes need to use third-party copyrighted material to perform their jobs. Before such third-party material may be used, appropriate authorization from the copyright holder must be obtained. The need

12

for such permission may exist whether or not the end product containing third-party material is for personal use or for the Company's internal or other use. It is against Company policy and it may be unlawful for any employee to copy, reproduce, scan, digitize, broadcast, or modify third-party copyrighted material when preparing Company products or promotional materials, unless written permission from the copyright holder has been obtained prior to the proposed use. Improper use could subject both the Company and the individuals involved to possible civil and criminal actions for copyright infringement. It is against Company policy for employees to use the Company's facilities for the purpose of making or distributing unauthorized copies of third-party copyrighted materials for personal use or for use by others.

#### PROPRIETARY INFORMATION

Proprietary information is defined as information that was developed, created, or discovered by the company, or that became known by or was conveyed to the company, that has commercial value in the company's business. It includes but is not limited to software programs and subroutines, databases, source and object code, trade secrets, copyrights, ideas, techniques, know-how, inventions (whether patentable or not), and any other information of any type relating to designs, configurations, toolings, schematics, master works, algorithms, flowcharts, circuits, works of authorship, formulae, mechanisms, research, manufacture, assembly, installation, marketing, pricing, customers, salaries and terms of compensation of Company employees, and costs or other financial data concerning any of the foregoing or the Company and its operations generally.

The Company's business and business relationships center on the confidential and proprietary information of the Company and of those with whom we do business - customers, vendors, and others. Each employee has the duty to respect and protect the confidentiality of all such information. The use of confidential and proprietary information - whether the Company's or a third party's - is usually covered by a written agreement. In addition to the obligations imposed by that agreement, all employees should comply with the following requirements:

- o Confidential information should be received and disclosed only under the auspices of a written agreement
- o Confidential information should be disclosed only to those Company employees who need to access it to perform their jobs for the Company
- o Confidential information of a third party should not be used or copied by any Company employee except as permitted by the third-party owner (this permission is usually specified in a written agreement)
- o Unsolicited third-party confidential information should be refused or, if inadvertently received by a Company employee, returned unopened to the third party or transferred to the Company's Counsel for appropriate disposition.

13

Employees must refrain from using any confidential information belonging to any former employers, and such information must never be brought to the Company or provided to other Company employees.

CERTIFICATION OF CEO PURSUANT TO  
SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Leonard J. Brandt, certify that:

1. I have reviewed this annual report on Form 10-KSB/A of CNS Response, Inc.;

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

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

4. The small business issuer'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)) for the small business issuer 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 small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer'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

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: January 23, 2008

/s/ Leonard J. Brandt

-----  
Leonard J. Brandt  
Chief Executive Officer

CERTIFICATION OF CFO PURSUANT TO  
SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Horace Hertz, certify that:

1. I have reviewed this annual report on Form 10-KSB/A of CNS Response, Inc.;

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

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

4. The small business issuer'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)) for the small business issuer 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 small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the small business issuer'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

c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: January 23, 2008

/s/ Horace Hertz

-----  
Horace Hertz  
Chief Financial Officer

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

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 filing of the Annual Report on Form 10-KSB/A for the year ended September 30, 2007 (the "Report") by CNS Response, Inc. (the "Registrant"), each of the undersigned hereby certifies that:

1. to the best of our knowledge, the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. to the best of our knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: January 23, 2008

/s/ Leonard J. Brandt

-----  
Leonard J. Brandt  
Chief Executive Officer

Date: January 23, 2008

/s/ Horace Hertz

-----  
Horace Hertz  
Chief Financial Officer