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

FORM 10-Q

(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 2008

[_] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____________ to ______________.

Commission file number 0-26285

CNS RESPONSE, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	87-0419387
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2755 BRISTOL STREET, SUITE 285
COSTA MESA, CA 92626
(Address of principal executive offices)

(714) 545-3288
(Registrant's telephone number, including area code)

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

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

Large accelerated filer [_]	Accelerated filer [_]
Non-accelerated filer [_] (Do not check if smaller reporting company)	Smaller reporting company [X]

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

As of February 12, 2009, the issuer had 25,299,547 shares of common stock, par value $.001 per share, issued and outstanding.

CNS RESPONSE, INC.

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CNS RESPONSE, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE THREE MONTHS ENDED DECEMBER 31, 2008	2007
REVENUES		
Laboratory Information Services	$ 28,400	$ 58,700
Clinical Services	143,200	--
	171,600	58,700
OPERATING EXPENSES		
Cost of laboratory services revenues	33,500	37,900
Research and development	682,400	372,500
Sales and marketing	263,200	38,700
General and administrative	625,500	671,600
Total operating expenses	1,604,600	1,120,700
OPERATING LOSS	(1,433,000)	(1,062,000)
OTHER INCOME (EXPENSE):		
Interest income (expense), net	1,100	54,000
Total other income	1,100	54,000
LOSS BEFORE PROVISION FOR INCOME TAXES	(1,431,900)	(1,008,000)
Income taxes	--	800
NET LOSS	$ (1,431,900)	$ (1,008,800)
NET LOSS PER SHARE:		
Basic	$ (0.06)	$ (0.04)
Diluted	$ (0.06)	$ (0.04)
WEIGHTED AVERAGE SHARES OUTSTANDING:		
Basic	25,299,547	25,299,547
Diluted	25,299,547	25,299,547

See accompanying Notes to Condensed Consolidated Financial Statements.

<TABLE>

CNS RESPONSE, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

<CAPTION>

<S>	DECEMBER 31, 2008 (unaudited) <C>	SEPTEMBER 30, 2008 <C>
ASSETS		
CURRENT ASSETS		
Cash	$ 1,021,600	$ 1,997,000
Accounts receivable (net of allowance for doubtful accounts of $17,200 (unaudited) as of December 31, 2008 and $ 17,200 as of September 30, 2008)	89,300	98,200
Prepaid and other	125,500	189,400
Total current assets	1,236,400	2,284,600
Other assets	26,400	28,700
Goodwill	320,200	320,200
TOTAL ASSETS	$ 1,583,000	$ 2,633,500
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable (including amounts due to related parties of $6,800 (unaudited) as of December 31, 2008 and $6,800 as of September 30, 2008)	$ 285,100	$ 335,700
Accrued liabilities	228,200	207,500
Deferred compensation (including $ 107,000 (unaudited) and $107,000 to related parties as of December 31, 2008 and September 30, 2008 respectively)	239,800	264,900
Accrued patient costs	628,800	397,500
Accrued consulting fees	65,000	67,600
Accrued interest	44,300	42,600
Convertible promissory notes	50,000	50,000
Current portion of long-term debt	90,400	88,500
Total current liabilities	1,631,600	1,454,300
LONG -TERM LIABILITIES		
Note payable to officer	95,800	118,600
Capital lease	7,100	7,700
Total long term liabilities	102,900	126,300
COMMITMENTS AND CONTINGENCIES		
Stockholders' equity (deficit):		
Common stock, $0.001 par value; authorized, 750,000,000 shares, issued and outstanding, 25,299,547 shares as of December 31, 2008 and September 30, 2008	25,300	25,300
Additional paid-in capital	17,928,800	17,701,300
Accumulated deficit	(18,105,600)	(16,673,700)
Total stockholders' equity (deficit)	(151,500)	1,052,900
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,583,000	$ 2,633,500

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements.

CNS RESPONSE, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE THREE MONTHS ENDED DECEMBER 31, 2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,431,900)	$ (1,008,800)
Adjustments to reconcile net loss to net cash used in operating activities:		

Depreciation and Amortization	2,300	26,700
Stock-based compensation	227,500	417,300
Changes in operating assets and liabilities:		
Accounts receivable	8,900	4,200
Prepaids and other current assets	63,900	(26,200)
Accounts payable	(50,600)	(43,800)
Accrued liabilities	22,400	1,500
Deferred compensation	(25,100)	(200)
Accrued consulting fees	(2,600)	(18,000)
Accrued patient costs	231,300	--
Net cash used in operating activities	(953,900)	(647,300)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in other assets	--	(20,400)
Net cash used in investing activities	--	(20,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of note	(21,000)	--
Prepayment of lease	(500)	--
Net cash used in financing activities	(21,500)	--
Net decrease in cash	(975,400)	(667,700)
Cash, beginning of period	1,997,000	5,790,100
Cash, end of period	$ 1,021,600	$ 5,122,400
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Interest	$ 6,000	$ --
Income taxes	$ --	$ 800

See accompanying Notes to Condensed Consolidated Financial Statements.

CNS RESPONSE, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

<TABLE>
<CAPTION>

FOR THE THREE MONTHS ENDED DECEMBER 31, 2008	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
BALANCE - September 30, 2008	25,299,247	$ 25,300	$ 17,701,300	$(16,673,700)	$ 1,052,900
Stock- based compensation	--	--	227,500	--	227,500
Net loss for the three months ended December 31, 2008	--	--	--	(1,431,900)	(1,431,900)
Balance at December 31, 2008	25,299,247	$ 25,300	$ 17,928,800	$(18,105,600)	$ (151,500)

</TABLE>

<TABLE>
<CAPTION>

FOR THE THREE MONTHS ENDED DECEMBER 31, 2007	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	TOTAL
<S>	<C>	<C>	<C>	<C>	

<C>

BALANCE - September 30, 2007	25,299,247	$ 25,300	$ 16,630,000	$(11,302,200)	$ 5,353,100
Stock- based compensation	--	--	417,300	--	417,300
Net loss for the three months ended December 31, 2007	--	--	--	(1,008,800)	(1,008,800)
Balance at December 31, 2007	25,299,247	$ 25,300	$ 17,047,300	$(12,311,000)	$ 4,761,600

</TABLE>

See accompanying Notes to Condensed Consolidated Financial Statements.

CNS RESPONSE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

ORGANIZATION AND NATURE OF OPERATIONS

CNS Response, Inc. (the "Company") was incorporated as Strativation, Inc. in Delaware on July 10, 1984. In connection with a merger on March 7, 2007 with CNS Response, Inc., a California corporation, the Company changed its name to its current name and commenced its current operations. The Company utilizes a patented system that guides psychiatrists and other physicians to determine a proper treatment for patients with mental, behavioral and/or addictive disorders. The Company also intends to guide pharmaceutical developers in the development of new and approved pharmaceuticals.

In addition, as a result of its acquisition of Neuro-Therapy Clinic, P.C. ("NTC") on January 11, 2008, the Company provides behavioral health care services. NTC is a center for highly-advanced testing and treatment of neuropsychiatric problems, including learning, attentional and behavioral challenges, mild head injuries, as well as depression, anxiety, bipolar and all other common psychiatric disorders. Through this acquisition, the Company expects to advance neurophysiology data collection, beta-test planned technological advances in rEEG, advance physician training in rEEG and investigate practice development strategies associated with rEEG.

GOING CONCERN UNCERTAINTY

The Company has a limited operating history and its operations are subject to certain risks and uncertainties frequently encountered by rapidly evolving markets. These risks include the failure to develop or supply technology or services, the ability to obtain adequate financing, competition within the industry and technology trends.

To date, the Company has financed its cash requirements primarily from debt and equity financings. It will be necessary for the Company to raise additional funds in order to continue to conduct its business. The Company's liquidity and capital requirements depend on several factors, including the rate of market acceptance of its services, the ability to expand and retain its customer base, its ability to execute its current business plan and other factors. The Company is currently exploring additional sources of capital but there can be no assurances that any financing arrangement will be available in amounts and terms acceptable to the Company.

BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements of CNS Response, Inc. ("CNS," "we," "us," "our" or the "Company") have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission and include all the accounts of CNS and its wholly owned subsidiaries CNS California and NTC. Certain information and note disclosures, normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States, have been condensed or omitted pursuant to such rules and regulations. The unaudited condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of our financial position as of December 31, 2008 and our operating results, cash flows, and changes in stockholders' equity for the interim periods presented. The September 30, 2008 balance sheet was derived from our audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. These condensed consolidated financial statements and the related notes should be read in conjunction with our financial statements and notes for the year ended September 30, 2008 which are included in our current report on Form 10-K, filed with the Securities and Exchange Commission on January 13, 2009.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and revenues and expenses in the financial statements. Examples of estimates subject to possible revision based upon the outcome of future events include, among others, recoverability of long-lived assets and goodwill, stock-based compensation, the allowance for doubtful accounts, the valuation of equity instruments, use and other taxes. Actual results could differ from those estimates.

The results of operations for the three months ended December 31, 2008 are not necessarily indicative of the results that may be expected for future periods or for the year ending September 30, 2009.

2. CONVERTIBLE PROMISSORY NOTES

Prior to September 30, 2006, CNS California issued convertible promissory notes with detachable warrants from time to time to fund its operations. The notes bear interest at 8% per year, compounded annually, and are payable on demand. The terms of the notes provide for the (i) conversion of principal and accrued interest into the same type of securities issued by CNS California upon a qualified institutional financing, the amount of which financing varies between notes and ranges from $1 to $4 million, and (ii) conversion price to be equal to the same price as the shares sold in the financing. The notes provide for an aggregate of $2,196,000 in principal to convert automatically and $920,700 to convert at the note holders' options based upon certain financing requirements (as defined).

In October 2006, CNS California and the note holders of certain convertible promissory notes converted notes with an aggregate outstanding balance of $3,061,700 and related accrued and unpaid interest of $1,005,300 at September 30, 2006 into 5,993,515 shares of CNS California Series A Preferred Stock. In addition, the exercise price of warrants to purchase 1,062,116 shares of the CNS California common stock issued to such note holders was changed to $0.59 per share. Upon CNS California's merger with the Company, the preferred shares were converted into 5,993,515 shares of the Company's common stock and the warrants were converted into warrants to purchase 1,062,116 shares of the Company's common stock at $0.59 per share. The consolidated financial statements of the Company presented reflect the issuance of these shares as common stock.

As of September 30, 2008 and December 31, 2008, one note with a principal balance of $50,000 was outstanding.

3. STOCKHOLDERS' EQUITY

COMMON AND PREFERRED STOCK

As of December 31, 2008 the Company is authorized to issue 750,000,000 shares of common stock.

As of December 31, 2008, CNS California is authorized to issue 100,000,000 shares of two classes of stock, 80,000,000 of which was designated as common shares and 20,000,000 of which was designated as preferred shares.

As of December 31, 2008, Colorado CNS Response, Inc. is authorized to issue 1,000,000 shares of common stock.

As of December 31, 2008, Neuro-Therapy Clinic, P.C., a wholly-owned subsidiary of Colorado CNS Response, Inc., is authorized to issue ten thousand

(10,000) shares of common stock, no par value per share.

STOCK-OPTION PLAN

On August 3, 2006, CNS California adopted the CNS California 2006 Stock Incentive Plan (the "2006 Plan"). 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 non-statutory 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 December 31, 2008, there were 8,730,754 options and 183,937 restricted shares outstanding under the 2006 Plan and 1,085,309 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. The Company has adopted SFAS No. 123R (revised 2004), "Share-Based Payment", and related interpretations. Under SFAS No. 123R, share-based compensation cost is measured at the grant date based on the calculated fair value of the award. The Company estimates the fair value of each option on the grant date using the Black-Scholes model. The following assumptions were made in estimating the fair value of options granted during the 3 months ended December 31, 2008: no dividends, risk free rate of 3.77%, volatility of 211% and expected life of 5 years.

The expense is recognized over the employees' or service provider's requisite service period, generally the vesting period of the award. Stock-based compensation expense included in the accompanying statements of operations for the three months ended December 31, 2008 and 2007 is as follows:

	FOR THE THREE MONTHS ENDED DECEMBER 31, 2008	FOR THE THREE MONTHS ENDED DECEMBER 31, 2007
Operations	$ 4,000	$ 4,000
Research and development	65,200	75,500
Sales and marketing	41,800	--
General and administrative	116,500	337,800
Total	$ 227,500	$ 417,300

Total unrecognized compensation as of December 31, 2008 amounted to $1,730,900

A summary of stock option activity is as follows:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at September 30, 2008	8,964,567	$ 0.60
Granted	24,000	$ 0.51
Exercised	--	--
Forfeited	(257,813)	$ 0.51
Outstanding at December 31, 2008	8,730,754	$ 0.61
Weighted average fair value of options granted during:		
3 months ended December 31, 2008		$ 0.50

Following is a summary of the status of options outstanding at December 31, 2008:

EXERCISE PRICE	NUMBER OF SHARES	WEIGHTED AVERAGE CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE
$0.12	859,270	10 years	$0.12
$0.132	3,112,545	7 years	$0.132
$0.30	135,700	10 years	$0.30
$0.59	28,588	10 years	$0.59
$0.80	140,000	10 years	$0.80
$0.89	968,875	10 years	$0.89
$0.96	496,746	10 years	$0.96
$1.09	2,614,232	10 years	$1.09
$1.20	333,611	5 years	$1.20
$0.51	41,187	10 Years	$0.51
Total	8,730,754		$0.60

WARRANTS TO PURCHASE COMMON STOCK

At September 30, 2008, there were warrants outstanding to purchase 6,899,353 shares of the Company's common stock at exercise prices ranging from $0.01 to $1.812 with a weighted average exercise price of $1.04. The warrants expire at various times through 2017. No warrants were issued or exercised during the quarter ended December 31, 2008. Accordingly, all warrants are outstanding at December 31, 2008.

4. LONG-TERM DEBT

During the year ended September 30, 2008 the Company issued a note payable to an officer in connection with the acquisition of NTC. The note is non-interest bearing and the Company determined its fair value by imputing interest at an annual rate of 8%. As of September 30, 2008 and December 31 2008 the note has an outstanding principal balance in the amount of $205,300 and 184,300 respectively.

5. REPORTABLE SEGMENTS

The Company operates in two business segments: Laboratory Information Services and clinic. Laboratory Information Services provide reports ("rEEG Reports") that assist physicians with treatment strategies for patients with behavioral (psychiatric and/or addictive) disorders based on the patient's own physiology. Clinic operates NTC, a full service psychiatric practice.

The following tables show operating results for the Company's reportable segments, along with reconciliation from segment gross profit to (loss) from operations, the most directly comparable measure in accordance with generally accepted accounting principles in the United States, or GAAP:

<TABLE>
<CAPTION>

	THREE MONTHS ENDED DECEMBER 31, 2008			
	LABORATORY INFORMATION SERVICES	CLINIC	ELIMINATIONS	TOTAL
<S>	<C>	<C>	<C>	<C>
Revenues	$ 32,200	$ 149,600	$ (10,200)	$ 171,600
Operating expenses:				
Cost of revenues	33,500	3,800	(3,800)	33,500
Research and development .	682,400	--	--	682,400
Sales and marketing	260,600	2,600	--	263,200
General and administrative	481,300	150,600	(6,400)	625,500
Total operating expenses .	$ 1,457,800	$ 157,000	$ (10,200)	$ 1,604,600
Loss from operations	$ (1,425,600)	$ (7,400)	$ 0	$ (1,433,000)

</TABLE>

The following table includes selected segment financial information as of December 31, 2008, related to goodwill and total assets:

	Laboratory Information Services	Clinic	Total
Goodwill	$ 320,200	$ --	$ 320,200
Total assets	$1,527,800	$ 55,200	$1,583,000

6. EARNINGS PER SHARE

In accordance with SFAS 128, "Computation of Earnings Per Share," basic net income (loss) per share is computed by dividing the net income (loss) to common stockholders for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) for the period by the weighted average number of common and dilutive common equivalent shares outstanding during the period. For the three months ended December 31, 2008 and 2007, the Company has excluded all common equivalent shares from the calculation of diluted net loss per share as such securities are anti-dilutive.

A summary of the net income (loss) and shares used to compute net income (loss) per share for the three months ended December 31, 2008 and 2007 is as follows:

<TABLE>
<CAPTION>

<S>	<C> 2008	<C> 2007
Net loss for computation of basic net loss per share ..	$ (1,431,900)	$ (1,008,000)
Net loss for computation of dilutive net loss per share	$ (1,431,900)	$ (1,008,000)
Basic net loss per share	$ (0.06)	$ (0.04)
Diluted net loss per share	$ (0.06)	$ (0.04)
Basic weighted average shares outstanding	25,299,547	25,299,547
Dilutive common equivalent shares	--	--
Diluted weighted average common shares	25,299,547	25,299,547
Anti-dilutive common equivalent shares not included in the computation of dilutive net loss per share:		
Convertible debt	4,995,000	4,995,000
Warrants	6,899,353	6,899,353
Options	8,941,598	8,545,578

</TABLE>

7. COMMITMENTS AND CONTINGENT LIABILITIES

LITIGATION

From time to time the Company is subject to legal proceedings and claims, which arise in the ordinary course of its business. The Company believes that although there can be no assurances as to the disposition of the proceedings, based upon information available to the Company at this time, the expected outcome of these matters would not have a material impact on the Company's results of operations or financial condition.

LEASE COMMITMENTS

The Company leases its headquarters and Laboratory Information Services space under an operating lease. In November 2008, the Company entered into a new six-month lease for its headquarters at the same location expiring in May 2009 and requiring monthly rentals of $3,610.

The Company leases space for its Clinical Services operations under an operating lease. The base rental as of December 2008 is $5,726 per month. This increases to $6,021 per month in March 2009 through to the termination of the lease on February 28, 2010.

The Company also sub-leases space for its Clinical Services operations on a month-to-month basis for $1,075 per month.

The Company leases a copier for $216 per month which it accounts for as a capital lease with an interest rate of 9% per year. The lease terminates in February 2013 at which time the copier can be purchased at fair value.

FUTURE MINIMUM LEASE PAYMENT AND DEBT MATURITIES

At December 31, 2008, the estimated future minimum lease payment under non-cancelable operating and capital leases and debt maturities were as follows:

<TABLE>
<CAPTION>

YEAR ENDING DECEMBER 31,	OPERATING LEASES	CAPITAL LEASE	DEBT MATURITIES	TOTAL
<S>	<C>	<C>	<C>	<C>
2009	89,700	2,600	100,000	192,300
2010	12,000	2,600	100,000	114,600
2011	--	2,600	--	2,600
2012	--	2,600	--	2,600
2013	--	400	--	400
Total	$ 101,700	$ 10,800	$ 200,000	$ 312,500
Less interest	(4,400)	(1,800)	(15,700)	(21,900)
Net present value	97,300	9,000	184,300	290,600
Less current portion	(89,700)	(1,900)	(88,500)	(180,100)
Long-term debt and lease obligation	$ 7,600	$ 7,100	$ 95,800	$ 110,500

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE INFORMATION CONTAINED IN THIS FORM 10-Q IS INTENDED TO UPDATE THE INFORMATION CONTAINED IN OUR ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED SEPTEMBER 30, 2008 AND PRESUMES THAT READERS HAVE ACCESS TO, AND WILL HAVE READ, THE "MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION" AND OTHER INFORMATION CONTAINED IN SUCH FORM 10-K. THE FOLLOWING DISCUSSION AND ANALYSIS ALSO SHOULD BE READ TOGETHER WITH OUR CONSOLIDATED FINANCIAL STATEMENTS AND THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDED ELSEWHERE IN THIS FORM 10-Q.

THIS DISCUSSION SUMMARIZES THE SIGNIFICANT FACTORS AFFECTING THE CONDENSED CONSOLIDATED OPERATING RESULTS, FINANCIAL CONDITION AND LIQUIDITY AND CASH FLOWS OF CNS RESPONSE, INC. FOR THE THREE MONTHS ENDED DECEMBER 31, 2008 AND 2007. EXCEPT FOR HISTORICAL INFORMATION, THE MATTERS DISCUSSED IN THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION ARE "FORWARD-LOOKING STATEMENTS" THAT INVOLVE RISKS AND UNCERTAINTIES AND ARE BASED UPON JUDGMENTS CONCERNING VARIOUS FACTORS THAT ARE BEYOND OUR CONTROL. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE PROJECTED IN THE FORWARD-LOOKING STATEMENTS AS A RESULT OF, AMONG OTHER THINGS, THE FACTORS REFERRED TO BELOW UNDER THE CAPTION "CAUTIONARY STATEMENTS AND RISK FACTORS."

OVERVIEW

We are a life sciences company with two distinct business segments. Our Laboratory Information Services business, which we consider our primary business, is focused on the commercialization of a patented system that guides psychiatrists and other physicians to determine a proper treatment for patients with behavioral (psychiatric and/or addictive) disorders. Our Clinical Services business operated by Neuro-Therapy Clinic, P.C. ("NTC") is a full service psychiatric practice.

LABORATORY INFORMATION SERVICES

In connection with our Laboratory Information Services business, we have developed an extensive proprietary database (the "CNS Database") consisting of over 13,000 clinical outcomes across over 2,000 patients who had psychiatric or addictive problems. For each patient, we have compiled electroencephalographic ("EEG") scans, symptoms, course of treatment and outcomes often across multiple treatments from multiple psychiatrists and physicians. Using the CNS Database, our technology compares a patient's EEG scan to the outcomes in the CNS Database and ranks treatment options based on treatment success of patients having similar neurophysiology. Trademarked as Referenced-EEG(R) ("rEEG(R)"), this patented technology allows us to create and provide simple reports ("rEEG Reports") that specifically guide physicians to treatment strategies based on the patient's own physiology.

Our business is focused on increasing the demand for our rEEG services. We believe the key factors that will drive broader adoption of rEEG will be acceptance by healthcare providers of its clinical benefits, demonstration of the cost-effectiveness of using our technology, reimbursement by third-party payers, expansion of our sales force and increased marketing efforts.

CLINICAL SERVICES

In January 2008, we acquired our largest customer, the Neuro-Therapy Clinic, P.C. ("NTC") located in Colorado. Upon the completion of the transaction, NTC became a wholly-owned subsidiary of ours. NTC operates one of the largest psychiatric medication management practices in the state of Colorado, with nine full time and four part time employees including psychiatrists and clinical nurse specialists with prescribing privileges. Daniel A. Hoffman, M.D. is the medical director at NTC, and, after the acquisition, became our Chief Medical Officer.

NTC, having performed a significant number of rEEG's, serves an important resource in our product development, the expansion of our CNS Database, production system development and implementation, along with the integration of our rEEG services into a medical practice. Through NTC, we also expect to successfully develop marketing and patient acquisition strategies for our Laboratory Information Services business. Specifically, NTC is learning how to best communicate the advantages of rEEG to patients and referring physicians in the local market. We will share this knowledge and developed communication programs learned through NTC with other physicians using our services, which we believe will help drive market acceptance of our services. In addition, we plan to use NTC to train practitioners across the country in the uses of rEEG technology.

We view our Clinical Services business as secondary to our Laboratory Information Services business, and we have no current plans to expand this business.

BUSINESS OPERATIONS

Since our inception, we have generated significant net losses. As of December 31, 2008, we had an accumulated deficit of $18.2 million. We incurred operating losses of $5.5 million for the fiscal year ended September 30, 2008. For the quarters ended December 31, 2008 and 2007 we incurred losses of $1.5 million and $1.0 million respectively. We expect our net losses to continue for at least the next several years. We anticipate that a substantial portion of our capital resources and efforts will be focused on research and development, scale up of our commercial organization, and other general corporate purposes. Research and development projects include the completion of clinical trials which are essential to validate the efficacy of our products and services relating to our rEEG technology across different type of behavioral disorders, the enhancement of the CNS Database and, to a lesser extent, the application of rEEG to pharmaceutical development.

FINANCIAL OPERATIONS OVERVIEW

REVENUES

Our Laboratory Information Services revenues are derived from the sale of rEEG Reports to physicians. Physicians are generally billed upon delivery of a rEEG Report. The list prices of our rEEG Reports to physicians range from $200 to $800 with $400 being the most frequent charge.

Patient service revenue is generated as a result of providing services to patients on an outpatient basis. Patient service revenue is recorded at our established billing rates less contractual adjustments. Generally, collection in full is not expected on our established billing rates. Contractual adjustments are recorded to state our patient service revenue at the amount we expect to collect for the services provided based on amounts due from third-party payors at contractually determined rates.

COST OF REVENUES

Cost of revenues are for Laboratory Information Services and represent the cost of direct labor, the amortization of a purchased database and costs associated with external processing, analysis and consulting review necessary to render an individualized test result. Costs associated with performing our tests are expensed as the tests are performed. We continually evaluate the feasibility of hiring our own personnel to perform most of the processing and analysis necessary to render an rEEG Report.

Cost of revenues for Clinical Services are not broken out separately but are included in general and administrative expenses.

RESEARCH AND DEVELOPMENT

Research and development expenses are associated with our Laboratory Information Services and primarily represent costs incurred to design and conduct clinical studies, improve rEEG processing, add data to the CNS Database, improve analytical techniques and advance application of the methodology to additional clinical diagnosis. We charge all research and development expenses to operations as they are incurred.

SALES AND MARKETING

For our Laboratory Information Services, our selling and marketing expenses consist primarily of personnel costs and the costs of educating physicians, laboratory personnel and other healthcare professionals regarding our products and services.

For our Clinical Services, selling and marketing costs relate to advertising to attract patients to the clinic.

GENERAL AND ADMINISTRATIVE

Our general and administrative expenses consist primarily of personnel, occupancy, legal, accounting and other professional and administrative costs for both our Laboratory Information Services and Clinical Services businesses.

CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES

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

We believe the following critical accounting policies reflect our more significant estimates and assumptions used in the preparation of our condensed consolidated financial statements.

REVENUE RECOGNITION

We have generated limited revenues since our inception. Revenues for our Laboratory Service product are recognized when an rEEG Report is delivered to a Client-Physician. For our Clinical Services, revenues are recognized when the services are performed.

STOCK-BASED COMPENSATION EXPENSE

Stock-based compensation expense, which is a non-cash charge, results from stock option grants. Compensation cost is measured at the grant date based on the calculated fair value of the award. We recognize stock-based compensation expense on a straight-line basis over the vesting period of the underlying option. The amount of stock-based compensation expense expected to be amortized in future periods may decrease if unvested options are subsequently cancelled or may increase if future option grants are made.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2008 AND 2007

As earlier described, we operate in two business segments: Laboratory Information Services and Clinical Services. Our Laboratory Information Services business focuses on the delivery of reports ("rEEG Reports") that assist physicians with treatment strategies for patients with behavioral (psychiatric and/or addictive) disorders based on the patient's own physiology. Our Clinical Services business operated through NTC provides full service psychiatric services. For comparative purposes below, our Laboratory Information Services business represents all of our business in 2007 and our Clinical Services business represents the operations of Neuro-Therapy Clinic since its acquisition on January 11, 2008.

The following table presents consolidated statement of operations data for each of the periods indicated as a percentage of revenues.

	THREE MONTHS ENDED DECEMBER 31, 2008	2007
Revenues	100%	100%
Cost of revenues	20	65
Gross profit	80	35
Research and development	398	635
Sales and marketing	153	66
General and administrative expenses	365	1,144
Operating loss	(835)	(1,810)
Other income (expense), net	(1)	91
Net income (loss)	(834)%	(1,719)%

REVENUES

	THREE MONTHS ENDED DECEMBER 31, 2008	THREE MONTHS ENDED DECEMBER 31, 2007	PERCENT CHANGE
Laboratory Service Revenues	$ 28,400	$ 58,700	(52%)
Clinical Service Revenues	143,200	--	*
Total Revenues	$ 171,600	$ 58,700	192%

* Not Meaningful

With respect to our Laboratory Information Services business, the number of non clinical study related rEEG Reports delivered for the period decreased from 167 in 2007 to 74 in 2008 while the average price per report increased from approximately $351 in 2007 to $383 in 2008 (clinical study related rEEG reports are provided free of charge). The reduction in the number of non clinical study rEEG Reports delivered during the period was primarily due to the acquisition of NTC, which was our largest customer in 2007. We do not expect to drive broader adoption of reports based on our rEEG technology until the completion of our multi-site clinical study to validate the efficacy of our products. Accordingly, we anticipate that Laboratory Services Revenues will not increase materially in the current fiscal year.

Our Clinical Services revenue is as a result of patient billings for psychiatric services rendered. Currently, we do not plan to expand our Clinical Services business, and therefore we do not anticipate a significant increase in revenues generated by this business segment.

COST OF REVENUES

	THREE MONTHS ENDED DECEMBER 31, 2008	THREE MONTHS ENDED DECEMBER 31, 2007	PERCENT CHANGE
Cost of Laboratory Information Services revenues	$ 33,500	$ 37,900	(12%)

Cost of Laboratory Information Services revenues consists of payroll costs, consulting costs, and other miscellaneous charges. Consulting costs primarily represent external costs associated with the processing and analysis of rEEG Reports and range between $75 and $100 per rEEG Report. For the quarter ended December 31, 2008, cost of revenues were $33,500 consisting primarily of direct labor and benefit costs (which includes stock-based compensation costs) of $26,400 and consulting fees of $6,700. For the quarter ended December 31, 2007, cost of revenues were $37,900, which includes direct labor and benefit costs (which includes stock based compensation costs) of $21,700, and consulting fees of $15,400. Consulting fees decreased in 2008 due to the lower number of rEEG Reports delivered and also due to our in-house capabilities which reduced the need for consulting services. We ultimately expect cost of revenues to decrease as a percentage of revenues as operating efficiencies improve.

RESEARCH AND DEVELOPMENT

	THREE MONTHS ENDED DECEMBER 31, 2008	THREE MONTHS ENDED DECEMBER 31, 2007	PERCENT CHANGE
Laboratory Information Services research and development	$ 682,400	$ 372,500	83%

Research and development expenses consist of clinical studies, projects for training doctors associated with our research studies, patents costs, consulting fees, payroll costs (including stock-based compensation costs), expenses related to database enhancements and maintenance, and other miscellaneous costs. Research and development costs for the quarter ended December 31, 2008, primarily consisted of the following costs: patient cost of $359,200 associated with our studies to prove the efficacy of our technology; payroll costs of $199,600; patent costs of $56,700; recruiting costs of $27,200; consultant costs of $5,950; database costs of $6,300; and conference and travel costs of $5,400. For the comparable period for 2007, research and development costs included: patient costs of $46,800, payroll costs of $160,000, patent costs of $20,000, recruiting costs of $25,000, consultant costs of $88,900, database costs of $12,600 and conference and travel costs of $1,500.

Compared to the three month period ended December 31, 2007, patient costs for the three month period ended December 31, 2008 increased by $312,500 due to the ramp-up of a second and larger clinical trial in 2008 which we believe is important to proving the efficacy of our technology. As a result of our clinical trial, our payroll costs associated with research and development also increased for the three month period ended December 31, 2008 compared to the comparable quarter in 2007 by $39,600 as we changed our staffing mix (with more personnel dedicated to our research and development efforts instead of sales) and brought on board our Chief Medical Officer who was previously a consultant to our business to help lead our clinical trials. Compared to the three month period ended December 31, 2007, consulting costs were reduced by $83,000 in the period ending December 31, 2008 primarily because Mr. Hoffman's services (our Chief Medical Officer) were brought in house. Patent costs increased by $36,700 from the comparable period in 2007 as a result of additional legal fees incurred associated with patenting procedures.

SALES AND MARKETING

	THREE MONTHS ENDED DECEMBER 31, 2008	THREE MONTHS ENDED DECEMBER 31, 2007	PERCENT CHANGE
Sales and Marketing			
Laboratory Information Services	$ 260,600	$ 38,700	573%
Clinical Services	2,600	--	*
Total Sales and Marketing	$ 263,200	$ 38,700	580%

* Not Meaningful

Sales and marketing expenses associated with our Laboratory Information Services business consist primarily of payroll and benefit costs, including stock-based compensation; advertising and marketing, including the internet; consulting fees and conference and travel expenses. Sales and marketing expenses, which were $260,600 for the quarter ended December 31, 2008, primarily consisted of the following expenses: payroll and benefits $152,900, advertising and marketing $29,800, consulting $38,900 and conferences and travel $17,800. For the comparable period in 2007 total sales and marketing costs were $38,700 and consisted of the following: payroll and benefits $18,800, advertising and marketing $7,300, consulting $11,100 and conferences and travel $300.

Compared to the three month period ended December 31, 2007, payroll and benefits increased during the period ended December 31, 2008 with the addition of marketing personnel including a Vice President for commercial operations, an additional salesperson and administrative help. Also in the three month period ended December 31, 2008 compared to the same period in 2007, consulting fees, including stock based compensation, increased by $30,900; advertising and marketing expenses increased by $22,500 and expenses associated with attendance at conferences and travel increased by $17,500. These additional expenses were incurred with the goal of enhancing the recognition of our technology within the psychiatric and patient communities.

The Clinical Services sales and marketing expenses consists of advertising in various media so as to attract patients to the clinic. We currently do not plan to expand our Clinical Services business, and therefore we expect that our sales and marketing expenses associated with this business segment will not materially change.

GENERAL AND ADMINISTRATIVE

	THREE MONTHS ENDED DECEMBER 31, 2008	THREE MONTHS ENDED DECEMBER 31, 2007	PERCENT CHANGE
General and administrative			
Laboratory Information Services	$ 474,900	$ 671,600	(29%)
Clinical Services	$ 150,600	--	*
Total General and administrative	$ 625,500	$ 671,600	(7%)

* Not Meaningful

General and administrative expenses for our Laboratory Information Services business are largely comprised of payroll and benefit costs, including stock based compensation, legal and other professional and consulting fees, occupancy costs, insurance and conference and travel costs. For the quarter ended December 31, 2008 General and Administrative costs were $474,900. This consisted of salaries and benefit costs of $123,200 and stock based compensation costs of $116,500; legal fees of $72,400 and other professional and consulting fees of $98,900; occupancy costs of $17,400, insurance costs of $18,800 and conference and travel costs of $17,400. For the similar period in 2007 these costs were $671,600 and consisted of the following: salaries and benefit costs of $156,500 and stock based compensation costs of $337,800; legal fees of $8,300 and other professional and consulting fees of $87,900; occupancy costs of $16,200, insurance costs of $18,800 and conference and travel expenses of $32,200.

With respect to our Laboratory Information Services business, in the quarter ended December 30, 2008 in comparison to the same period in 2007, payroll and benefit expenses declined by $33,300 as a result of staff reductions and staff turnover and stock based compensation expenses declined by $221,000 as one officer had a large block of option grants which vested immediately in the quarter ended December 31, 2007 which expense did not recur in 2008. As compared to the comparable period in 2007, legal fees increased by $64,000 and consulting services increased by a net $11,000. The increase in consulting fees primarily resulted from increases in accounting services and software design and development services which were partially offset by a reduction in the cost of investor relations services. Conference and travel related costs declined by $16,400 due to reduced conference attendance.

General and administrative expenses of $150,600 for our Clinical Services business for the quarter ended December 31, 2008 includes all costs associated with operating NTC. This includes all payroll costs, medical supplies, occupancy costs and other general and administrative costs.

INTEREST INCOME (EXPENSE)

	THREE MONTHS ENDED DECEMBER 31, 2008	THREE MONTHS ENDED DECEMBER 31, 2007	PERCENT CHANGE
Laboratory Information Services (Expense), net	$ 1,200	$ 54,000	(98%)

Clinical Services (Expense)	(100)	--	*
Total interest income (expense) .	$ 1,100	$ 54,000	(98%)

* Not Meaningful

With respect to our Laboratory Information Services business, we earned interest income of $7,100 for the quarter ended December 31, 2008 from interest bearing accounts. This was offset by $5,900 of interest expense on promissory notes. For the comparable period in 2007, net interest income was $54,000, which resulted from interest earned on $7.8 million in cash raised in our private placement which we completed in May 2007.

With respect to our Clinical Services business, the interest expense of $100 relates to an equipment lease.

NET LOSS

	THREE MONTHS ENDED DECEMBER 31, 2008	THREE MONTHS ENDED DECEMBER 31, 2007	PERCENT CHANGE
Laboratory Information Services net loss	$ (1,424,400)	$ (1,008,800)	41%
Clinical Services net loss	(7,500)	--	*
Total Net Loss	$ (1,431,900)	$ (1,008,800)	42%

* Not Meaningful

The increase in net loss of $423,100 is due primarily to increases in our research and development and sales and marketing effort, offset by revenue generated by our Clinical Services business. We expect to incur net losses for the next few years as we continue to improve our rEEG technology and reaffirm its validity through clinical studies, increase the penetration of our products in the marketplace, and hire additional personnel.

LIQUIDITY AND CAPITAL RESOURCES

Since our inception, we have incurred significant losses and, as of December 31, 2008, we had an accumulated deficit of approximately $18.1 million. We have not yet achieved profitability and anticipate that we will continue to incur net losses for the foreseeable future. We expect that our research and development, and selling and marketing expenses will continue to grow and, as a result, we will need to generate significant product revenues to achieve profitability. There can be no assurance of achieving profitability.

As of December 31, 2008 we had approximately $1 million in cash and cash equivalents and a working capital deficit balance of approximately $172,000 compared to approximately $5.1 million in cash and cash equivalents and a working capital balance of approximately $4.7 million at December 31, 2007.

SOURCES OF LIQUIDITY

Since our inception substantially all of our operations have been financed primarily from equity and debt financings. Through December 31, 2008, we had received proceeds of $8.6 million from the sale of stock, $3,116,000 from the issuance of convertible promissory notes and $220,000 from the issuance of common stock to employees in connection with expenses paid by such employees on behalf of the company.

CASH FLOWS

Net cash used in operating activities was $950,000 for the quarter ended December 31, 2008 compared to $650,000 for quarter ended December 31, 2007. The increase in cash used of $250,000 was primarily attributable to an increase in research and development and sales and marketing expenses, and increases in payroll expenses.

No investing activities occurred for the quarter ended December 31, 2008 as compared to the $20,400 used to purchase office furniture during the quarter ended December 31, 2007.

Net cash of $21,500 used in connection with financing activities during the quarter ended December 31, 2008 resulted primarily from a principal payment of $21,000 made on the promissory note issued to Dr. Hoffman in connection with our acquisition of NTC. There were no financing activities during the quarter ended December 31, 2007.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

As of December 31, 2008, our major contractual obligations were the remaining balance on a promissory note of $184,300 plus interest at 8% issued in connection with our acquisition of NTC and operating leases for office space totaling $97,300. As of December 31, 2007, our only significant contractual obligation was for leased space.

OPERATING CAPITAL AND CAPITAL EXPENDITURE REQUIREMENTS

Our continued operating losses and limited capital raise substantial doubt about our ability to continue as a going concern. We expect to continue to incur substantial operating losses in the future and to make capital expenditures to keep pace with the our research and development programs and our commercial operations. We expect that our existing cash will be used to fund working capital and for capital expenditures and other general corporate purposes. The amount and timing of actual expenditures may vary significantly depending upon a number of factors, such as the progress of our product development, regulatory requirements, commercialization efforts and the amount of cash used by operations.

Until we can generate a sufficient amount of revenues to finance our cash requirements, which we may never do, we expect to finance future cash needs primarily through public or private equity offerings, debt financings, borrowings or strategic collaborations. We do not know whether additional funding will be available on acceptable terms, or at all, especially given the market conditions that currently prevail.

We currently anticipate that our cash and collections from sale of our services will not be sufficient to fund our operations for at least the next 12 months. Consequently we anticipate raising additional funds in 2009.

INCOME TAXES

Since our inception, we have incurred operating losses and, accordingly, have not recorded a provision for federal income taxes for any periods presented. As of September 30, 2008, we had net operating loss carryforwards for federal income tax purposes of $12.4 million. If not utilized, the federal net operating loss carryforwards will expire beginning in 2021. Utilization of net operating loss and credit carryforwards may be subject to a substantial annual limitation due to restrictions contained in the Internal Revenue Code that are applicable if we experience an "ownership change". The annual limitation may result in the expiration of our net operating loss and tax credit carryforwards before they can be used.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements or financing activities with special purpose entities.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Members of the company's management, including our Principal Executive and Financial Officer, Leonard J. Brandt, have evaluated the effectiveness of our disclosure controls and procedures, as defined by paragraph (e) of Exchange Act Rules 13a-15 or 15d-15, as of December 31, 2008, the end of the period covered by this report. Based upon that evaluation, Mr. Brandt has concluded that, for the reasons described below, our disclosure controls and procedures were not effective. The company has undertaken remedial measures to address the material weakness and significant deficiencies discussed below, and plans to continue to implement procedures to address such weakness and deficiencies, so long as the perceived benefits of such controls are deemed by management to outweigh their costs.

In reaching our conclusion that our disclosure controls and procedures were not effective, we considered the findings of an external finance and accounting advisory firm with relevant SEC compliance experience, who informed management of "material weaknesses" and several "significant deficiencies" that collectively may constitute a "material weakness" in our internal control over financial reporting.

A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

A "significant deficiency" is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting.

The following material weakness was identified:

- We do not have proper oversight and review by upper management of the accounting and finance function.

In order to address the above material weakness, Leonard Brandt has taken a more active role in the oversight and review of our accounting and finance functions by assuming certain responsibilities typically performed by a Chief Financial Officer, while we seek a long-term replacement for Brad Luce, our former Vice President Finance and Control, who resigned during the quarter. In the coming quarters, we intend to further improve our upper management's oversight and review of our accounting and finance functions by considering the addition of controls, which we believe will mitigate the identified material weakness.

At our quarter ended December 31, 2008, the following significant deficiencies were identified, which in combination with other deficiencies may constitute a material weakness:

- We do not have proper segregation of duties within the accounting and finance function.

- We do not have a comprehensive and formalized accounting and procedures manual.

During the quarter, we retained the services of outside consultants to perform various accounting and finance functions for us. As a result of the hiring of our consultants, we believe that we have improved the segregation of duties within our accounting and finance functions. Going forward, we plan to explore additional internal controls that we can implement that will allow us to achieve greater segregation of duties in our accounting and finance functions. We also intend to put in place a comprehensive and formalized accounting and procedures manual that is tailored to the size of our business.

To the knowledge of our management, including our PEO and PFO, none of the aforementioned material weaknesses or significant deficiencies led to a misstatement of our results of operations for the quarter ended December 31, 2008, or statement of financial position as of December 31, 2008.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

Other than as stated above, there were no changes in our internal control over financial reporting or in other factors identified in connection with the evaluation required by paragraph (d) of exchange act rules 13a-15 or 15d-15 that occurred during the quarter ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1A. RISK FACTORS

This Quarterly Report on Form 10-Q contains forward-looking statements, which are subject to a variety of risks and uncertainties. Other actual results could differ materially from those anticipated in those forward-looking statements as a result of various factors, including those set forth in Item 7A of our Annual Report on Form 10-K for the year ended September 30, 2008. There have been no material changes to such risk factors during the three months ended December 31, 2008.

ITEM 6. EXHIBITS

The following exhibits are filed as part of this report:

EXHIBIT NUMBER	EXHIBIT TITLE
31.1	Certification of Principal Executive Officer 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.
31.2	Certification of Principal Financial Officer 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.
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CNS Response, Inc.

Date: February 17, 2009

/s/ Len Brandt

By: Len Brandt
Its: Chief Executive Officer
(Principal Executive, Financial and Accounting Officer)

EXHIBIT 31.1

Certification of CEO Pursuant to
Securities Exchange Act Rules 13a-14 and 15d-14
as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Leonard J. Brandt, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 registrant as of, and for, the periods presented in this report;

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

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

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

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

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

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

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

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

Date: February 17, 2009

/s/ Leonard J. Brandt

Leonard J. Brandt
Chief Executive Officer

EXHIBIT 31.2

Certification of Principal Financial Officer Pursuant to
Securities Exchange Act Rules 13a-14 and 15d-14
as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Leonard J. Brandt, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 registrant as of, and for, the periods presented in this report;

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

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

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

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

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

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

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

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

Date: February 17, 2009

/s/ Leonard J. Brandt

Leonard J. Brandt
Principal Financial Officer

EXHIBIT 32.1

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

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 Quarterly Report on Form 10-Q for the quarter ended December 31, 2008 (the "Report") by CNS Response, Inc. (the "Registrant"), the undersigned hereby certifies that to the best of his knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: February 17, 2009

/s/ Leonard J. Brandt

Leonard J. Brandt
Chief Executive Officer (Principal Executive and Financial Officer)