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

FORM 10-Q

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

For the quarterly period ended July 31, 2015

or

☐ 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: **1-8266**

DATARAM CORPORATION

(Exact name of registrant as specified in its charter)

New Jersey	**22-1831409**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
P.O. Box 7528, Princeton, NJ	**08543**
(Address of principal executive offices)	(Zip Code)

(609) 799-0071
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☑ Yes ☐ No

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

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Common Stock ($1.00 par value): As of September 14, 2015, there were 3,323,414 shares outstanding.

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

Dataram Corporation
Consolidated Balance Sheets
July 31, 2015 and April 30, 2015

	July 31, 2015 (Unaudited)	April 30, 2015 (Note 1)
Assets		
Current assets:		
Cash and cash equivalents	$ 542,835	$ 327,298
Accounts receivable, less allowance for doubtful accounts and sales returns of $130,000 at July 31, 2015 and $140,000 at April 30, 2015	2,672,320	2,170,261
Inventories	1,865,156	2,088,737
Other current assets	82,964	69,076
Total current assets	5,163,275	4,655,372
Property and equipment:		
Machinery and equipment	479,961	479,961
Leasehold improvements	607,867	607,867
	1,087,828	1,087,828
Less accumulated depreciation and amortization	990,831	966,831
Net property and equipment	96,997	120,997
Other assets	49,210	49,210
Capitalized software development cost	365,424	365,424
Goodwill	1,083,555	1,083,555
Total Assets	$ 6,758,461	$ 6,274,558
Liabilities and Stockholders' Equity		
Current liabilities:		
Note payable-revolving credit line	$ 2,363,585	$ 2,109,449
Accounts payable	614,237	879,573
Accrued liabilities	227,224	282,284
Convertible notes payable, net of discount	600,000	600,000
Convertible notes payable related parties, net of discount	80,000	107,500
Total current liabilities	3,885,046	3,978,806
Other liabilities – related party	161,247	179,163
Total liabilities	4,046,293	4,157,969
Commitments and contingencies		
Stockholder's equity:		
Preferred Stock, par value $.01 per share. Authorized 1,300,000 share and 626,600 shares outstanding at July 31, 2015 and April 30, 2015	1,856,903	1,856,903
Common stock, par value $1.00 per share. Authorized 54,000,000 shares and 3,301,012 issued and outstanding at July 31, 2015 and 2,776,012 issued and outstanding on April 30, 2015	3,301,012	2,776,012
Additional paid-in capital	21,987,507	21,862,333
Accumulated deficit	(24,607,659)	(24,490,404)
Shares to be issued	174,405	111,745
Total stockholders' equity	2,712,168	2,116,589`
	$ 6,758,461	$ 6,274,558

See accompanying notes to consolidated financial statements.

Dataram Corporation
Consolidated Statements of Operations
Three Months Ended July 31, 2015 and 2014
(Unaudited)

	2015	2014
Revenues	$ 7,337,682	$ 7,725,037
Costs and expenses:		
Cost of sales	5,934,477	6,476,232
Engineering	53,958	165,555
Selling, general and administrative	1,191,432	1,639,492
Stock based compensation expense	212,834	4,716
	7,392,701	8,285,995
Loss from operations	(55,019)	(560,958)
Other income (expense):		
Interest expense, net	(62,644)	(193,687)
Currency gain (loss)	408	(2,272)
Total other expense, net	(62,236)	(195,959)
Loss before income taxes	(117,255)	(756,917)
Income tax expense	—	2,850
Net loss	$ (117,255)	$ (759,767)
Less preferred stock dividends	62,660	—
Net loss allocated to common shareholders	$ (179,915)	$ (759,767)
Net loss per share of common stock		
Basic	$ (.06)	$ (.32)
Diluted	$ (.06)	$ (.32)

See accompanying notes to consolidated financial statements.

Dataram Corporation
Consolidated Statements of Cash Flows
Three Months Ended July 31, 2015 and 2014
(Unaudited)

	2015	2014
Cash flows from operating activities:		
Net loss	$ (117,255)	$ (759,767)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	24,001	26,999
Bad debt expense	2,078	10,397
Amortization of debt discount	—	133,333
Stock-based compensation expense	212,834	4,716
Amortization of deferred gain in sale leaseback	(17,916)	(17,915)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(504,137)	337,619
Decrease in inventories	223,581	270,286
Increase in other current assets	(13,888)	(119,908)
Increase in other assets	—	(1,050)
Increase (decrease) in accounts payable	(265,336)	39,821
Decrease in accrued liabilities	(55,060)	(108,598)
Net cash used in operating activities	(511,099)	(184,067)
Cash flows from investing activities:		
Software development costs	—	(142,191)
Net cash used in investing activities	—	(142,191)
Cash flows from financing activities:		
Net borrowings (repayments) under revolving credit line	254,136	(546,127)
Repayment of convertible notes	(27,500)	—
Net proceeds from sale of common shares	500,000	—
Proceeds from issuance of convertible notes and warrants	—	750,000
Net cash provided by financing activities	726,636	203,873
Net increase (decrease) in cash and cash equivalents	215,537	(122,385)
Cash and cash equivalents at beginning of period	327,298	257,633
Cash and cash equivalents at end of period	$ 542,835	$ 135,248
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 62,644	$ 60,354
Income taxes	$ —	$ 2,850
Supplemental disclosures of non cash flow information:		
Debt discount on convertible notes payable	$ —	$ 750,000

See accompanying notes to consolidated financial statements.

Dataram Corporation
Consolidated Statements of Stockholders' Equity
Three Months Ended July 31, 2015
(Unaudited)

	Common Stock	APIC	Preferred Stock	Shares to be Issued	Retained Deficit	Total Equity
Balance at April 30, 2015	2,776,012	$21,862,3333	$ 1,856,903	$ 111,745	$(24,490,404)	$ 2,116,589
Net loss					(117,255)	(117,255)
Stock-option compensation expense		163,084				163,084
Common shares issued in sale of common shares	500,000					500,000
Common shares issued for service	25,000	24,750				49,750
Non-cash preferred stock dividend		(62,660)		62,660		0
Balance at July 31, 2015	3,301,012	$ 21,987,507	$ 1,856,903	$ 174,405	$(24,607,659)	$ 2,712,168

See accompanying notes to consolidated financial statements.

Dataram Corporation
Notes to Consolidated Financial Statements
July 31, 2015 and 2014
(Unaudited)

(1) Description of Business and Significant Accounting Policies

Since 1967, Dataram Corporation ("Dataram" or the "Company") has been a leading independent manufacturer of memory products and provider of performance solutions. The Company provides customized memory solutions for original equipment manufacturers (OEMs) and compatible memory for leading brands including Cisco, Dell, Fujitsu, HP, IBM, Lenovo and Oracle as well as a line of memory products for Intel and AMD motherboard based servers. Dataram manufactures its memory in-house to meet three key criteria - quality, compatibility, and selection - and tests its memory for performance and original equipment manufacturer (OEM) compatibility as part of the production process. With memory designed for over 50,000 systems and with products that range from energy-efficient DDR4 modules to legacy SDR offerings, Dataram offers one of the most complete portfolios in the industry. Backed by in-depth quality test programs, nearly fifty years of manufacturing expertise, and a limited lifetime warranty, Dataram memory products are built to last. The company is a CMTL Premier Participant and ISO 9001 (2008 Certified). Its products are fully compliant with JEDEC Specifications.

Dataram's customers include an international network of distributors, resellers, retailers, OEM customers and end users.

Dataram competes with several other large independent memory manufacturers and the OEMs noted above. The primary raw material used in producing memory boards is dynamic random access memory (DRAM) chips. The purchase cost of DRAMs is the largest single component of the total cost of a finished memory board. Consequently, average selling prices for computer memory boards are significantly dependent on the pricing and availability of DRAM chips.

In addition to memory products, Dataram offers solutions that provide our customers significant and quantifiable cost savings (reduction in total cost of ownership) while helping them manage end-of-life transitions. These include:

- Design and engineering services
- Contract and flexible manufacturing to accommodate special customer needs
- Simulation labs for testing and validation
- Financial programs and trade-in/trade-up programs to allow customers to optimize memory procurements
- Software tools to assess memory needs and optimize memory deployment and application performance

Dataram has four business lines which provide complimentary solutions to the market. Each has a different customer focus and "go to market" approach. They are:

- Princeton Memory
- Micro Memory Bank (MMB)
- MemoryStore.com
- 18004Memory.com

The Princeton Memory Business provides innovative new memory products that support enterprise / mission critical need; custom and high end memory solutions for most demanding customers ranging from enterprise and data center segments to power users and gamers; provides solutions to extend the density memory options available to customers. The business also provides:

- Memory Solutions Services:
  - Performance optimization, total cost of computing reduction consulting
  - Engineering and design services for embedded applications
  - Proof of concept engagements
  - Customized consignment programs
  - Product on-demand offerings
  - Installation services

- Software: products that improve application and computing performance
- Buy-back program: in conjunction with the MMB business, provides customers with opportunity to “trade-in” existing memory as part of a sale with trade-in credited towards purchase of new memory

The Micro Memory Bank business provides new and refurbished memory products which are not commonly available. These solutions extend the life of the system where memory is no longer available by the OEM, helping companies avoid the cost of additional hardware expenditures. The business also provides:

- Brokerage services: makes opportunistic purchases of excess surplus inventories for less than market price; also buys unknown inventory which is then opened, cataloged, and sometimes refurbished.
- Buy-back program: works with Princeton business to provide customers with opportunity to “trade-in” existing memory as part of a sale with trade-in credited towards purchase of new memory. Memory traded-in is refurbished and then sold.
- Technology recycling program: provides end of life recycling services to customers across all IT hardware categories including laptops, desktops, workstations, servers, main frames, hubs and switches.

Operating since 1994, 18004Memory.com provides a one-stop source for new and refurbished memory products used in desktops, laptops, notebooks, servers, MAC systems, printers, digital cameras, PDAs, MP3 players, and more. They provide memory upgrades for all major brands including Compaq, Dell, Apple, Hewlett-Packard, Toshiba, IBM, Gateway, Sony, Fujitsu, Acer. Products are backed by a limited lifetime warranty on all computer memory and 30-day money back guarantee

The Memorystore.com business provides a one-stop web source for “Dataram Value Memory” products used in desktops, laptops, notebooks, servers, workstations, and MAC systems. Dataram Value Memory is memory specifically designed and tested to meet industry standards. It is purchased by customers who know the exact technical specifications of the memory they need. Dataram Value Memory is fully compliant with JEDEC Specifications. It is 100-percent tested and backed by a limited lifetime warranty.

In fiscal 2009, the Company acquired certain assets of Micro Memory Bank, Inc. ("MMB"), a privately held corporation. The acquisition expanded the Company's memory product offerings and routes to market.

The Company was incorporated in New Jersey in 1967 and made its initial public offering in 1968. Its common stock, $1 par value (the "Common Stock"), was listed for trading on the American Stock Exchange in 1981. In 2000 the Company changed its listing to the NASDAQ National Market (now the NASDAQ Stock Market) where its stock trades under the symbol "DRAM." The Company's principal executive office is located at 777 Alexander Park, Princeton, New Jersey 08540, its telephone number is (609) 799-0071, its fax is (609) 799-6734 and its website is located at http://www.dataram.com. Proxy Statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and all amendments thereto, are available on the Company’s website free of charge.

Liquidity and Basis of Presentation

The information for the three months ended July 31, 2015 and 2014 is unaudited, but includes all adjustments (consisting of normal recurring adjustments) which, in the opinion of management, are necessary to state fairly the financial information set forth therein in accordance with accounting principles generally accepted in the United States of America. The interim results are not necessarily indicative of results to be expected for the full fiscal year. These financial statements should be read in conjunction with the audited financial statements for the year ended April 30, 2015 included in the Company’s 2015 Annual Report on Form 10-K filed with the Securities and Exchange Commission. The April 30, 2015 balance sheet has been derived from these statements

The Company's financial statements are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America and have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

Our continuation as a going concern is dependent upon obtaining the additional working capital necessary to sustain our operations. Our future is dependent upon our ability to obtain financing, raise capital through the sales of equity and or debt securities and upon future profitable operations. There is no assurance that our current operations will be profitable or we will raise sufficient funds to continue operating. The Company continues to seek out opportunities to trim overhead expenses to meet revenues.

If current and projected revenue growth does not meet estimates, the Company may continue to choose to raise additional capital through debt and/or equity transactions, reduce certain overhead costs through the deferral of salaries and other means, and settle liabilities through negotiation. Currently, the Company does not have any commitments or assurances for additional capital, nor can the Company provide assurance that such financing will be available to it on favorable terms, or at all. These factors raise doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event we cannot continue in existence. In the first quarter of the current fiscal year ended July 31, 2015 the Company incurred losses of approximately $117,000, and used net cash in operations totaled approximately $511,000.

On July 29, 2015, we entered into separate Common Purchase Agreements, pursuant to which we sold and issued 500,000 shares of our Common Stock to 5 accredited investors. Gross proceeds of the Common Stock offering were $500,000. We did not use the services of an investment banker and no finder was involved in the Common Stock Offering.

In May 2015, Dataram filed an application with the state of NJ for the transfer of some or all of its New Jersey Net Operating Losses (NOLs) for which the Company has received approval. We do not know what the size of the NOL transfer the state of New Jersey will allocate. The Company has engaged Source Capital Group, Inc. on a best efforts basis to transfer the NJ NOL to the highest bidder for the New Jersey Net Operating Losses. Today, we cannot provide any certainty on the dollar amount or timing of the sale of the NOLs.

If current and projected revenue growth does not meet estimates, the Company may continue to choose to raise additional capital through debt and/or equity transactions, reduce certain overhead costs through the deferral of salaries and other means, and settle liabilities through negotiation. The Company cannot provide assurances that additional financing will be available to it on favorable terms, or at all. These factors raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event we cannot continue in existence.

Principles of Consolidation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including deferred tax asset valuation allowances and certain other reserves and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Some of the more significant estimates made by management include the allowance for doubtful accounts and sales returns, the deferred income tax asset valuation allowance and other operating allowances and accruals. Actual results could differ from those estimates.

Engineering and Research and Development

Research and development costs are expensed as incurred, including Company-sponsored research and development and costs of patents and other intellectual property that have no alternative future use when acquired and in which we had an uncertainty of receiving future economic benefits. Development costs of a computer software product to be sold, leased, or otherwise marketed are subject to capitalization beginning when a product's technological feasibility has been established and ending when a product is available for general release to customers. Technological feasibility of a computer software product is established when all planning, designing, coding and testing activities that are necessary to establish that the product can be produced to meet its design specifications (including functions, features and technical performance requirements) are completed. The Company has capitalized approximately $365,000 of cost related to the maintenance and development of our RAMDisk product in the fiscal year ended April 30, 2015.

Dataram is continuing its development efforts for its software products - RAMDisk and Intelligent Cache. The Board of Directors (BOD) continues to believe diversifying the company's product portfolio is prudent and as such, supports development of products and solutions for hardware, software and services. Specific to the software efforts, the company continues to use the external software consultant engaged in late February to support the software development efforts. All cost incurred in Fiscal 2016's first quarter ended July 31, 2015 have been expensed. In the comparable prior year quarter the Company capitalized approximately $142,000 of development cost.

Advertising

Advertising is expensed as incurred and amounted to approximately $15,000 in the three months ended July 31, 2015 compared to approximately $12,000 in the comparable prior year period.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes in accordance with the provisions of the Expenses – Income Taxes Topic of the FASB ASC. Under the asset and liability method, deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The Company considers certain tax planning strategies in its assessment as to the recoverability of its tax assets. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in earnings in the period that the tax rate changes. The Company recognizes, in its consolidated financial statements, the impact of a tax position, if that position is more likely than not to be sustained on audit, based on technical merits of the position. There are no material unrecognized tax positions in the financial statements. As of July 31, 2015, the Company has Federal and state net operating loss carry-forwards of approximately $29,900,000 and $25,600,000, respectively. These can be used to offset future taxable income and expire between 2023 and 2035 for Federal tax purposes and 2016 and 2035 for state tax purposes. The Company's NOL carry-forwards are a component of its deferred income tax assets which are reported net of a full valuation allowance in the Company's consolidated financial statements at July 31, 2015 and April 30, 2015.

Net Loss per Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of shares of common stock issued and outstanding during the period. The calculation of diluted loss per share for the three months ended July 31, 2015 and 2014 includes only the weighted average number of shares of common stock outstanding. The denominator excludes the dilutive effect of stock options and warrants outstanding as their effect would be anti-dilutive.

The following presents a reconciliation of the numerator and denominator used in computing basic and diluted net loss per share for the three month periods ended July 31, 2015 and 2014:

	Three Months ended July 31, 2015		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share – net loss and weighted average common shares outstanding	$ (179,915)	2,801,284	$ (.06)
Effect of dilutive securities – stock options	—	—	—
Effect of dilutive securities – warrants	—	—	—
Diluted net loss per share – net loss, weighted average common shares outstanding and effect of stock options and warrants	$ (179,915)	2,801,284	$ (.06)

	Three Months ended July 31, 2014		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share – net loss and weighted average common shares outstanding	$ (759,767)	2,410,512	$ (.32)
Effect of dilutive securities – stock options	—	—	—
Effect of dilutive securities – warrants	—	—	—
Diluted net loss per share – net loss, weighted average common shares outstanding and effect of stock options and warrants	$ (759,767)	2,410,512	$ (.32)

Diluted net loss per common share for the three month periods ended July 31, 2014 and 2014 do not include the effect of options to purchase 281,747 and 272,580 shares, respectively, of common stock because they are anti-dilutive. Diluted net loss per common share also does not include preferred shares conversion to approximately 1,566,500 common shares at July 31, 2015 because they are anti-dilutive. Diluted net loss per common share for the three month periods ended July 31, 2015 and 2014 also do not include the effect of warrants to purchase 3,358,275 and 1,385,775 shares, respectively, because they are anti-dilutive .

Common Stock Repurchases

On December 4, 2002, the Company announced an open market repurchase plan providing for the repurchase of up to 83,333 shares of the Company's common stock. On April 10, 2012, the Company announced the additional authorization to repurchase up to 138,000 shares of the Company's common stock which at that time made the total available for purchase of up to 166,667 shares. The Company did not purchase shares in the first quarter of fiscal 2016 or fiscal 2015. As of July 31, 2015, the total number of shares authorized for purchase under the program is 136,408 shares.

Stock Option Expense

a. Stock-Based Compensation

The Company has a 2001 incentive and non-statutory stock option plan for the purpose of permitting certain key employees to acquire equity in the Company and to promote the growth and profitability of the Company by attracting and retaining key employees. In general, the plan allows granting of up to 300,000 shares of the Company's Common Stock at an option price to be no less than the fair market value of the Company's Common Stock on the date such options are granted. Currently, options granted under the plan vest ratably on the annual anniversary date of the grants. Vesting periods for options currently granted under the plan range from one to five years. At April 30, 2014, 239,246 of the outstanding options are exercisable. No further options may be granted under this plan. The Company also has a 2011 incentive and non-statutory stock option plan for the purpose of permitting certain key employees and consultants to acquire equity in the Company and to promote the growth and profitability of the Company by attracting and retaining key employees. No executive officer or director of the Company is eligible to receive options under the 2011 plan. In general, the plan allows granting of up to 33,333 shares of the Company's Common Stock at an option price to be no less than the fair market value of the Company's Common Stock on the date such options are granted. Options granted under the plan vest ratably on the annual anniversary date of the grants. There have been 25,000 shares granted under this plan. At July 31, 2015, 25,000 of the outstanding options are exercisable.

The Company's has a 2014 Equity Incentive Plan (the "Plan"), and reserves for issuance 250,000 shares of our common stock. Equity incentive awards play a significant role in the compensation provided to executive officers and employees in the current market. We intend on relying on equity compensation in order to attract and retain key employees, align the interests of our executive officers with those of our shareholders and to provide executive officers and other employees with the opportunity to accumulate retirement income. The Plan is designed to provide flexibility to meet our need to remain competitive in the marketplace in order to attract and retain executive talent and other key employees. There have been 166,667 shares granted under this plan. At July 31, 2015, 166,667 of the outstanding options are exercisable.

The Board of Directors has exclusive authority to determine which officers, employees, and directors who provide services to the Company will be entitled to receive a benefit under the Plan and to administer awards under the Plan to those eligible individuals. The Board retains the authority to appoint a Compensation Committee at any time, consisting of one or more Board members, to determine awards under the Plan. The Compensation Committee will determine, among things, the selection of those individuals to be granted awards under the Plan among those individuals eligible for participation, the level of participation of each participant, when and how each award under the plan will be granted, and what type or combination of types of awards will be granted.

The Plan provides for the granting of qualified and non qualified stock options Incentive stock options may be granted only to participants who meet the definition of "employees" under Section 3401(c) of the Code and bonus shares.

Stock Options- Stock options provide the recipient with the right to purchase shares of common stock at a price not less than their fair market value on the date of the grant. The stock option price is payable in cash, by tendering previously acquired shares of common stock having an aggregate fair market value at the time of exercise equal to the option price, by cashless (broker-assisted) exercise, or any other method approved by the Board. No stock option may be exercised more than 10 years from the date of grant.

Stock options granted under the Plan may be stock options that are intended to qualify as incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). Incentive stock options may be granted only to participants who meet the definition of "employees" under Section 3401(c) of the Code. In addition, in order to qualify for incentive stock option treatment, in the case of options granted to a holder of 10% or more of the company's common stock, the stock option price may not be less than 110% of the fair market value of the stock on the date the stock option is granted.

New shares of the Company's common stock are issued upon exercise of stock options.

Stock Appreciation Rights. A Stock Appreciation Right ("SAR") provides the recipient with the right to receive from us an amount, determined by the Board and expressed as a percentage (not exceeding 100%), of the difference between the base price established for the appreciation rights and the market value of the common stock on the date the rights are exercised. Appreciation rights can be tandem (i.e., granted with option rights to provide an alternative to the exercise of the option rights) or free-standing. Tandem appreciation rights may only be exercised at a time when the related option right is exercisable and the spread is positive, and requires that the related option right be surrendered for cancellation. Free-standing appreciation rights must have a base price per right that is not less than the fair market value of the common stock on the grant date, must specify the period of continuous employment that is necessary before such appreciation rights become exercisable and may not be exercisable more than 10 years from the grant date.

Bonus Shares. Bonus Shares are an award to an eligible person of shares for services to be rendered or for past services already rendered to the Company. The Board will determine the number of shares to be awarded to the eligible individual, in accordance with any restrictions thereon. These restrictions may be based upon completion of a specified number of years of service with the Company or upon satisfaction of performance goals based on performance factors. Payment for the Bonus Shares may be made in the form of cash, whole shares, or a combination thereof, based on the fair market value of the shares on the date of payment, as determined in the sole discretion of the Board.

As required by the "Compensation - Stock Compensation" Topic of the FASB, the accounting for transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments are accounted for using a fair value-based method with a recognition of an expense for compensation cost related to share-based payment arrangements, including stock options and employee stock purchase plans.

Our consolidated statements of operations for the three months ended July 31, 2015 and 2014 include approximately $213,000 and $5,000 of stock-based compensation expense, respectively. These stock option grants have been classified as equity instruments and, as such, a corresponding increase has been reflected in additional paid-in capital in the accompanying consolidated balance sheets. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option pricing model.

A summary of option activity for the three months ended July 31, 2015 is as follows:

	Shares		Weighted average exercise price	Weighted average remaining contractual life		Aggregate intrinsic value (1)
Balance April 30, 2015	125,746	$	8.48	3.59	$	—
Granted	166,667	$	1.69	4.85	$	36,667
Exercised	—		—	—		—
Expired	18,999	$	14.64	—		—
Balance July 31, 2015	273,414	$	1.53	3.91	$	36,667
Exercisable July 31, 2015	273,414	$	1.53	3.91	$	36,667
Expected to vest July 31, 2015	273,414	$	1.53	3.91	$	36,667

(1) This amount represents the difference between the exercise price and $1.91, the closing price of Dataram common stock on July 31, 2015 as reported on the NASDAQ Stock Market, for all in-the-money options outstanding and all the in-the-money shares exercisable

b. Other Stock Options

On June 30, 2008, the Company granted options to purchase 8,333 shares of the Company's common stock to a privately held company in exchange for certain patents and other intellectual property. The options granted are exercisable at a price of $15.60 per share, which was the fair value at the date of grant, were 100% exercisable on the date of grant and expire ten years after the date of grant.

(2) Related Party Transactions

During the three month periods ended July 31, 2015 and 2014, the Company purchased inventories for resale totaling approximately $125,000 and $474,000, respectively, from Sheerr Memory, LLC ("Sheerr Memory"). Sheerr Memory's owner ("Mr. Sheerr") is employed by the Company as the general manager of its Micro Memory business unit. Approximately $38,000 and $15,000 of accounts payable in the Company's consolidated balance sheets as of July 31, 2015 and April 30, 2015, respectively, is payable to Sheerr Memory. Sheerr Memory offers the Company trade terms of net 30 days and all invoices are settled in the normal course of business. No interest is paid. The Company has made further purchases from Sheerr Memory subsequent to July 31, 2015 and management anticipates that the Company will continue to do so, although the Company has no obligation to do so.

During the three month periods ended July 31, 2015 and 2014, the Company purchased inventories for resale totaling approximately $408,000, and $256,000 respectively, from Keystone Memory Group ("Keystone Memory"). Keystone Memory's owner is a relative of Mr. Sheerr. Approximately $21,000 and $27,000 of accounts payable in the Company's consolidated balance sheets as of July 31, 2015 and April 30, 2015 is payable to Keystone Memory. Keystone Memory offers the Company trade terms of net due and all invoices are settled in the normal course of business. No interest is paid. The Company has made further purchases from Keystone Memory subsequent to July 31, 2015 and management anticipates that the Company will continue to do so, although the Company has no obligation to do so.

As of October 31, 2013, the Company also entered into an agreement with Mr. Sheerr to leaseback the equipment and furniture that was sold to Mr. Sheerr on October 31, 2013. The lease is for a term of 60 months and the Company is obligated to pay approximately $7,500 per month for the term of the lease. The Company has an option to extend the lease for an additional two year period. The transactions described have been accounted for as a sale-leaseback transaction. Accordingly, the Company recognized a gain on the sale of assets of approximately $139,000, which is the amount of the gain on sale in excess of present value of the future lease payments and will recognize the remaining approximately $322,000 in proportion to the related gross rental charged to expense over the term of the lease, 60 months. The current portion of $72,000 deferred gain was reflected in accrued liabilities and the long-term portion of $250,000 is reflected in other liabilities – long-term in the consolidated balance sheet as of April 30, 2014. The current portion of $72,000 deferred gain is reflected in accrued liabilities and the long-term portion of $161,000 is reflected in other liabilities – long-term in the consolidated balance sheet as of July 31, 2015.

(3) Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash and money market accounts. To the extent that the Company's cash deposits exceed FDIC insurance limits they are uninsured.

(4) Accounts Receivable

Accounts receivable consists of the following categories:

	July 31, 2015	April 30, 2015
Trade receivables	$ 2,770,000	$ 2,151,000
VAT receivable	32,000	160,000
Allowance for doubtful accounts and sales returns	(130,000)	(140,000)
	$ 2,672,000	$ 2,171,000

(5) Inventories

Inventories are valued at the lower of cost or market, with costs determined by the first-in, first-out method. Inventories at July 31, 2015 and April 30, 2015 consist of the following categories:

	July 31, 2015	April 30, 2015
Raw materials	$ 941,000	$ 911,000
Work in process	49,000	2,000
Finished goods	875,000	1,176,000
	$ 1,865,000	$ 2,089,000

(6) Goodwill

The carrying value of goodwill of approximately $1,084,000 is not amortized, but is tested annually as of April 30 as well as whenever events or changes in circumstances indicate that the carrying amount may not be recoverable using a two-step process. As of July 31, 2015 and April 30, 2015, management has concluded that no impairment of goodwill is required.

(7) Financing Agreements

As of October 31, 2013, the Company also entered into an agreement with Mr. Sheerr to leaseback the equipment and furniture that was sold to Mr. Sheerr on October 31, 2013. The lease is for a term of 60 months and the Company is obligated to pay approximately $7,500 per month for the term of the lease. The Company has an option to extend the lease for an additional two year period. The transactions described have been accounted for as a sale-leaseback transaction. Accordingly, the Company recognized a gain on the sale of assets of approximately $139,000, which is the amount of the gain on sale in excess of present value of the future lease payments and will recognize the remaining approximately $322,000 in proportion to the related gross rental charged to expense over the term of the lease, 60 months. The current portion of $72,000 deferred gain was reflected in accrued liabilities and the long-term portion of $250,000 is reflected in other liabilities – long-term in the consolidated balance sheet as of April 30, 2014. The current portion of $72,000 deferred gain is reflected in accrued liabilities and the long-term portion of $161,000 is reflected in other liabilities – long-term in the consolidated balance sheet as of July 31, 2015.

On November 6, 2013, the Company entered into a new financing agreement (the “Financing Agreement”) with Rosenthal & Rosenthal, Inc. to replace an existing loan agreement. The Financing Agreement provides for a revolving loan with a maximum borrowing capacity of $3,500,000. The loans under the Financing Agreement mature on November 30, 2016 unless such Financing Agreement is either earlier terminated or renewed. Loans outstanding under the Financing Agreement bear interest at a rate of the Prime Rate (as defined in the Financing Agreement) plus 3.25% (the “Effective Rate”) or on Over-advances (as defined in the Financing Agreement), if any, at a rate of the Effective Rate plus 3%. The Financing Agreement contains other financial and restrictive covenants, including, among others, covenants limiting our ability to incur indebtedness, guarantee obligations, sell assets, make loans, enter into mergers and acquisition transactions and declare or make dividends. Borrowings under the Financing Agreement are collateralized by substantially all the assets of the Company. On April 29, 2014, the Company entered into an amendment (the "Amendment") to the Financing Agreement. The Amendment provides for advances against inventory balances based on prescribed formulas of raw materials and finished goods. The maximum borrowing capacity remains at $3,500,000. Borrowings at July 31, 2015 totaled approximately $2,364,000 and there was approximately $139,000 of additional availability on that date.

On July 15, 2014, the Company entered into the Purchase Agreement governing the issuance of $750,000 aggregate principal amount of Bridge Notes and Bridge Warrants. The Bridge Notes and Bridge Warrants were issued on July 15, 2014. The Company issued $600,000 aggregate principal amount of the Bridge Notes to certain Institutional investors and $150,000 aggregate principal amount of the Bridge Notes to certain members of Management. The Bridge Notes, the initial maturity date of which was October 15, 2014 (which was subject to a three-month extension at the option of the holders that occurred; see below), are convertible into shares of the Company's common stock. The initial conversion price for Institutional Investors is $2.50 per share (which was subsequently reduced; see below), and the initial conversion price for Management is equal to the closing price of the Company's common stock on the closing date of the Purchase Agreement, $2.94. The Bridge Notes are secured obligations of the Company and bear interest at a rate of 8% per year. The Bridge Warrants are exercisable for five years after the closing date of the Purchase Agreement, or July 15, 2019. For each $1,000 of principal amount of Bridge Notes, the holder received 1,200 Bridge Warrants, each exercisable for the purchase of one share of the Company's common stock. Each holder is entitled to exercise one-third of all Bridge Warrants received at an exercise price of $3.00, one-third of all Bridge Warrants received at an exercise price of $3.50, and one-third of all Bridge Warrants received at an exercise price that is equal to the closing price on the closing date of the Purchase Agreement, $2.94. Pursuant to the terms of the Purchase Agreement, the Company has agreed to register for re-sale the shares underlying the Bridge Notes and the Bridge Warrants.

On October 15, 2014, the original maturity date of the Bridge Notes, the maturity date of the Bridge Notes was extended to January 15, 2015 for all holders of the Bridge Notes. On November 17, 2014 the Company closed the sale of 600,000 shares of its Series A Stock, which resulted in the reduction of the conversion price of the Bridge Notes held by the institutional investors to $2.00 from $2.50 to equal the conversion price of the Series A Preferred Stock (see below). In addition, two additional 90-day extensions were provided to the institutional investors, which could extend the final maturity date to July 15, 2015. The extensions expired on January 15, 2015 and at the quarter ended January 31, 2015 the Bridge Notes were in default. The Company paid off approximately $70,000 of the notes and received extensions from all Bridge note holders except for one holder of an $80,000 Bridge Note, which extend the maturity date to January 15, 2016 from the Bridge Note holders prior to this filing. The Company continues to accrue interest on the Bridges Notes. In the event the Bridge Notes are converted to equity, their incremental fair value will be recognized in the consolidated statement of operations. The Company has also advised Rosenthal and Rosenthal, Inc. of the default on the Bridge Notes which is a default under our finance agreement.

The pricing model the Company used for determining fair values of the Bridge Warrants is the Black-Scholes Pricing Model. The model uses market-sourced inputs such as interest rates, dividend yields, market prices and volatilities. The risk-free interest rate used of 1.26% is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the Bridge Warrants. Expected dividend yield assumes the current dividend rate of zero. Expected volatility of approximately 100% was calculated using the daily closing price over a five-year period of the Company's Common Stock.

The value of the Warrants was derived and used as a basis to allocate the proceeds received between the Warrants and Bridge Notes. The proportionate value ascribed to the Warrants amounted to approximately $562,000 and was reflected as a discount on notes payable. Further the Company estimated a value of beneficial conversion feature of approximately $188,000 (limited to the amount of proceeds allocated to the notes payable) and reflected such as an additional discount on the Bridge Notes. The discount on notes payable is being amortized using the straight-line amortization over ninety days. This resulted in a non-cash interest charge of approximately $133,000 in the quarter ended July 31, 2014.

(8) Sales of Securities

On July 15, 2014, the Company entered into the Purchase Agreement governing the issuance of $750,000 aggregate principal amount of Bridge Notes and Bridge Warrants. The Bridge Notes and Bridge Warrants were issued on July 15, 2014. The Company issued $600,000 aggregate principal amount of the Bridge Notes to certain Institutional investors and $150,000 aggregate principal amount of the Bridge Notes to certain members of Management. The Bridge Notes, the initial maturity date of which was October 15, 2014 (which was subject to a three-month extension at the option of the holders that occurred; see below), are convertible into shares of the Company's common stock. The initial conversion price for Institutional Investors is $2.50 per share (which was subsequently reduced; see below), and the initial conversion price for Management is equal to the closing price of the Company's common stock on the closing date of the Purchase Agreement, $2.94. The Bridge Notes are secured obligations of the Company and bear interest at a rate of 8% per year. The Bridge Warrants are exercisable for five years after the closing date of the Purchase Agreement, or July 15, 2019. For each $1,000 of principal amount of Bridge Notes, the holder received 1,200 Bridge Warrants, each exercisable for the purchase of one share of the Company's common stock. Each holder is entitled to exercise one-third of all Bridge Warrants received at an exercise price of $3.00, one-third of all Bridge Warrants received at an exercise price of $3.50, and one-third of all Bridge Warrants received at an exercise price that is equal to the closing price on the closing date of the Purchase Agreement, $2.94. Pursuant to the terms of the Purchase Agreement, the Company has agreed to register for re-sale the shares underlying the Bridge Notes and the Bridge Warrants.

On October 15, 2014, the original maturity date of the Bridge Notes, the maturity date of the Bridge Notes was extended to January 15, 2015 for all holders of the Bridge Notes. On November 17, 2014 the Company closed the sale of 600,000 shares of its Series A Stock, which resulted in the reduction of the conversion price of the Bridge Notes held by the institutional investors to $2.00 from $2.50 to equal the conversion price of the Series A Preferred Stock (see below). In addition, two additional 90-day extensions were provided to the institutional investors, which could extend the final maturity date to July 15, 2015. The extensions expired on January 15, 2015 and at the quarter ended January 31, 2015 the Bridge Notes were in default. The Company paid off approximately $70,000 of the notes and received extensions from all Bridge note holders except for one holder of an $80,000 Bridge Note, which extend the maturity date to January 15, 2016 from the Bridge Note holders prior to this filing. The Company continues to accrue interest on the Bridges Notes. In the event the Bridge Notes are converted to equity, their incremental fair value will be recognized in the consolidated statement of operations. The Company has also advised Rosenthal and Rosenthal, Inc. of the default on the Bridge Notes which is a default under our finance agreement.

The pricing model the Company used for determining fair values of the Bridge Warrants is the Black-Scholes Pricing Model. The model uses market-sourced inputs such as interest rates, dividend yields, market prices and volatilities. The risk-free interest rate used of 1.26% is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the Bridge Warrants. Expected dividend yield assumes the current dividend rate of zero. Expected volatility of approximately 100% was calculated using the daily closing price over a five-year period of the Company's Common Stock.

The value of the Bridge Warrants was derived and used as a basis to allocate the proceeds received between the Bridge Warrants and Bridge Notes. The proportionate value ascribed to the Bridge Warrants amounted to approximately $562,000 and was reflected as a discount on notes payable. Further the Company estimated a value of beneficial conversion feature of approximately $188,000 (limited to the amount of proceeds allocated to the notes payable) and reflected such as an additional discount on the bridge notes. The discount on notes payable is being amortized using the straight line amortization over ninety days. This resulted in a non-cash interest charge of approximately $617,000 in the quarter ended October 31, 2014 and approximately $133,000 in this year's fiscal first quarter ended July 31, 2014.

On October 15, 2014, the original maturity date of the Bridge Notes, the maturity date of the Bridge Notes was extended to January 15, 2015 for all holders of the Bridge Notes. On November 12, 2014 the Company closed the sale of 600,000 shares of its Series A Preferred Stock, which resulted in the reduction of the conversion price of the Bridge Notes held by the institutional investors to $2.00 from $2.50 to equal the conversion price of the Series A Preferred Stock (see below). In addition, two additional 90 extensions were provided to the institutional investors, which could extend the final maturity date to July 15, 2015.

On November 12, 2014, the Company completed a private placement of 600,000 shares of its Series A Preferred Stock ("Series A Stock") together with Warrants to purchase shares of its common stock ("Preferred Warrant") at a price of $5.00 per share, in accordance with the Series A Preferred Stock Purchase Agreement dated October 20, 2014 (the "Purchase Agreement"). The net proceeds to the Company from the sale of the Series A Stock and Preferred Warrant, after deducting the estimated offering expenses incurred by the Company were approximately $2,700,000. At any time from November 17, 2014, the date of Closing, and prior to October 20, 2019 (the "Put/Call Exercise Period"), and the investors may exercise a right to purchase and require the Company to sell up to an additional 700,000 shares of Series A Stock. If the investors have not exercised this right during the Put/Call Exercise Period, the Company may exercise a right to cause and require the investors to purchase up to an additional 700,000 shares of Series A Stock, for an aggregate purchase price of $3,500,000. Holders of the Series A Stock shall initially have the right to convert such shares of Series A Stock into the number of authorized but previously unissued shares of the Company's common stock obtained by dividing the stated value of each share of Series A ($5.00) by $2.00. For each share of Series A Stock, the investors will receive 2.5 Preferred Warrants to purchase the Company's common stock at an exercise price of $2.50 per share. The Preferred Warrants are exercisable immediately for a period of five years from the date of closing. The exercise price of the Preferred Warrants is subject to adjustments in the case of stock splits, stock dividends, combinations of shares and similar recapitalization transactions. The exercisability of the Preferred Warrants may be limited if upon exercise, the warrant holder or any of its affiliates would beneficially own more than 4.99% of the Company's Common Stock. The Holders of the Series A Stock will receive preferential cumulative dividends at the rate of 8% per annum (equivalent to a fixed annual payment of $0.40 per share). The dividends are payable in shares of common stock and shall be valued at the weighted average price of the Company's common stock over the ten (10) consecutive trading days ended on the second trading day immediately before the payment date.

The company also issued 182,500 common shares and 90,000 warrants for common shares in exchange for professional services and fees related to the sale of the Series A Stock. The fair value of the warrants is recorded as a simultaneous increase and decrease to additional paid in capital and is therefore not presented on the consolidated statement of stockholders' equity. The fair value of the common shares is presented as a charge to APIC, with a corresponding increase to common stock related to the par value of the shares issued. The proceeds from the private placement were allocated between the Series A Stock, warrants and the put/call feature based upon their relative fair values. The fair value of the preferred stock was determined utilizing the 'as converted' method as the prominent feature driving the value of the instrument was deemed to be underlying value of the common stock to which the instrument was convertible into.

Fair value of the warrants was determined using the Black-Scholes Pricing Model. The model uses market-sourced inputs such as interest rates, dividend yields, market prices and volatilities. The risk-free interest rate used of 1.64% is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the Warrants. Expected dividend yield assumes the current dividend rate of zero. Expected volatility of approximately 93% was calculated using the daily closing price over a five year period of the Company's Common Stock. The warrants have a strike price of $2.50 and are exercisable for a period of 5 years.

Fair value of the put and call was determined using the Black-Scholes Pricing Model. The model uses market-sourced inputs such as interest rates, dividend yields, market prices and volatilities. The risk-free interest rate used of 1.64% is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the Put/Call. Expected dividend yield assumes the contracted rate of 8%. Expected volatility of approximately 93% was calculated using the daily closing price over a five year period of the Company's Common Stock. The Put/Call has a strike price of $5.00 and is exercisable for a period of approximately 5 years. The fair value of the underlying preferred shares was based on the as converted value of the underlying common shares which was approximately $5.58 as of the issuance date.

Post allocation of proceeds, the Company evaluated the embedded conversion feature within the Series A stock and determined that based upon its effective conversion rate that a beneficial conversion feature existed and required recognition. Such beneficial conversion feature was measured as the intrinsic value between the market price of the common stock on the commitment date and the effective conversion rate of the instrument and amounted to $1,568,000. Given the Preferred A Stock does not have a stated redemption date, this entire discount was immediately recognized as a non-cash dividend. Such dividend was recognized as a reduction to additional paid in capital due to the retained deficit position of the company. Accordingly, the recognition of the beneficial conversion feature resulted in a simultaneous increase and decrease to APIC for $1,568,000 and is therefore not presented on the consolidated statement of stockholders' equity.

On February 2, 2015, the Company completed a private placement of 26,600 shares of its Series A Stock together with Preferred Warrants to purchase shares of its common stock at a price of $5.00 per share, in accordance with the Purchase Agreement. The net proceeds to the Company from the sale of the Series A Stock and Preferred Warrant were approximately $133,000. The proceeds from the private placement were allocated between the Series A Stock and the warrants based upon their relative fair values. The fair value of the preferred stock was determined utilizing the 'as converted' method as the prominent feature driving the value of the instrument was deemed to be underlying value of the common stock to which the instrument was convertible into.

Fair value of the warrants was determined using the Black-Scholes Pricing Model. The model uses market-sourced inputs such as interest rates, dividend yields, market prices and volatilities. The risk-free interest rate used of 1.19% is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the Warrants. Expected dividend yield assumes the current dividend rate of zero. Expected volatility of approximately 90.5% was calculated using the daily closing price over a five year period of the Company's Common Stock. The warrants have a strike price of $2.50 and are exercisable for a period of 5 years.

Post allocation of proceeds, the Company evaluated the embedded conversion feature within the Series A stock and determined that based upon its effective conversion rate that a beneficial conversion feature existed and required recognition. Such beneficial conversion feature was measured as the intrinsic value between the market price of the common stock on the commitment date and the effective conversion rate of the instrument and amounted to $78,700. Given the Preferred A Stock does not have a stated redemption date, this entire discount was immediately recognized as a non-cash dividend. Such dividend was recognized as a reduction to additional paid in capital due to the retained deficit position of the company. Accordingly, the recognition of the beneficial conversion feature resulted in a simultaneous increase and decrease to APIC for $78,700 and is therefore not presented on the consolidated statement of stockholders' equity.

On February 2, 2015, the Company issued and sold an aggregate of 183,000 restricted shares of its common stock at a price of $2.00 per share and five-year warrants to purchase and additional 316,000 shares with an exercise price of $2.50 per share, of which 50,000 shares were purchased by David A Moylan the Company's CEO. The net proceeds to the Company from the sale of the restricted common stock and warrants (exclusive of any exercise thereof) were approximately $365,000.

Fair value of the warrants was determined using the Black-Scholes Pricing Model. The model uses market-sourced inputs such as interest rates, dividend yields, market prices and volatilities. The risk-free interest rate used of 1.19% is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the Warrants. Expected dividend yield assumes the current dividend rate of zero. Expected volatility of approximately 90.5% was calculated using the daily closing price over a five year period of the Company's Common Stock. The warrants have a strike price of $2.50 and are exercisable for a period of 5 years. The warrants have been recognized through a simultaneous increase and decrease to APIC for approximately $215,000 and is therefore not presented on the consolidated statement of stockholders' equity

On July 31, 2015, the Company entered into separate securities purchase Agreements with five (5) accredited investors for the issuance and sale of an aggregate of 500,000 shares of its common stock, par value $1.00 per share at a per share price of $1.00 or an aggregate purchase price of $500,000.

At July 31, 2015 the Company had 3,358,275 warrants outstanding with exercise prices between $13.56 and $2.00.

(9) Contractual Obligations

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of April 30, 2015 are as follows:

	Non-Related Party	Related Party	Total
Year ending April 30:			
2016	169,000	90,000	259,000
2017	82,000	90,000	172,000
2018	84,000	90,000	174,000
2019	85,000	45,000	130,000
2020	86,000	—	86,000
Thereafter			
Total	$ 506,000	$ 315,000	$ 821,000

(10) Financial Information by Geographic Location

The Company currently operates in one business segment that develops, manufactures and markets a variety of memory systems for use with network servers and workstations which are manufactured by various companies. Revenues for the three months ended July 31, 2015 and 2014 by geographic region are as follows:

	Three months ended July 31, 2015	Three months ended July 31, 2014
United States	$ 6,113,000	$ 6,631,000
Europe	1,116,000	939,000
Other (principally Asia Pacific Region)	109,000	155,000
Consolidated	$ 7,338,000	$ 7,725,000

(11) Recently Adopted Accounting Guidance

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers". The purpose of this new standard is to clarify the principles for recognizing revenue so that it can be applied consistently across various transactions, industries and capital markets. We have not completed our assessment of ASU No. 2014-09.

We have evaluated the other recent accounting pronouncements through ASU 2015-15 and believe that none of them will have a material effect on our financial statements.

(12) Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents, trade receivables and note receivable. The Company maintains its cash and cash equivalents in financial institutions and brokerage accounts. To the extent that such deposits exceed the maximum insurance levels, they are uninsured. In regard to trade receivables, the Company performs ongoing evaluations of its customers' financial condition as well as general economic conditions and, generally, requires no collateral from its customers

(13) Subsequent Event

On September 8, 2015, Dataram was formally informed by the State of New Jersey's Economic Development Authority that Dataram has been approved to sell the associated tax benefit of $2.275M of its Net Operating Losses (NOLs) which, based on the company's State of New Jersey corporate tax rate of 9%, is approximately $205,000. While the company cannot guarantee either the success or the magnitude of the NOL transfer, the company estimates to receive approximately $175,000, net of fees and discounts, and complete the sale by the end of 2015.

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

The Business section and other parts of this Quarterly Report on Form 10Q ("Form 10-Q") contain forward-lookingstatements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Many of the forward-looking statements are located in "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A described in the Company's most recent Annual Report on Form 10-K under the heading "Risk Factors filed with the Securities and Exchange Commission which can be reviewed at http://www.sec.gov. The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Executive Overview

Since 1967, Dataram Corporation ("Dataram" or the "Company") has been a leading independent manufacturer of memory products and provider of performance solutions. The Company provides customized memory solutions for original equipment manufacturers (OEMs) and compatible memory for leading brands including Cisco, Dell, Fujitsu, HP, IBM, Lenovo and Oracle as well as a line of memory products for Intel and AMD motherboard based servers. Dataram manufactures its memory in-house to meet three key criteria - quality, compatibility, and selection - and tests its memory for performance and original equipment manufacturer (OEM) compatibility as part of the production process. With memory designed for over 50,000 systems and with products that range from energy-efficient DDR4 modules to legacy SDR offerings, Dataram offers one of the most complete portfolios in the industry. Backed by in-depth quality test programs, nearly fifty years of manufacturing expertise, and a limited lifetime warranty, Dataram memory products are built to last. The company is a CMTL Premier Participant and ISO 9001 (2008 Certified). Its products are fully compliant with JEDEC Specifications.

Dataram's customers include an international network of distributors, resellers, retailers, OEM customers and end users.

Dataram competes with several other large independent memory manufacturers and the OEMs noted above. The primary raw material used in producing memory boards is dynamic random access memory (DRAM) chips. The purchase cost of DRAMs is the largest single component of the total cost of a finished memory board. Consequently, average selling prices for computer memory boards are significantly dependent on the pricing and availability of DRAM chips.

The Company was incorporated in New Jersey in 1967 and made its initial public offering in 1968. Its common stock, $1 par value (the "Common Stock") was listed for trading on the American Stock Exchange in 1981. In 2000 the Company changed its listing to the NASDAQ National Market (now the NASDAQ Stock Market) where its stock trades under the symbol "DRAM." The Company's principal executive office is located at 777 Alexander Park, Princeton, New Jersey 08540, its telephone number is (609) 799-0071, its fax is (609) 799-6734 and its website is located at http://www.dataram.com. Proxy Statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and all amendments thereto, are available on the Company's website free of charge.

Liquidity and Capital Resources

The Company's financial statements are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America and have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. For the fiscal years ended April 30, 2015 and 2014, the Company incurred losses in the amounts of approximately $3,829,000 and $2,609,000, respectively.

Our continuation as a going concern is dependent upon obtaining the additional working capital necessary to sustain our operations. We may raise additional working capital by obtaining financing, raising capital through the sales of equity and or debt securities and upon future profitable operations. We may also seek to reduce our expenses. There is no assurance that our current operations will be profitable or that we will raise sufficient funds to continue operating. The Company continues to seek out opportunities to reduce overhead expenses to meet revenues. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the classification of liabilities that might be necessary in the event we cannot continue in operations.

As of July 31, 2015, cash and cash equivalents amounted to approximately $543,000 and working capital amounted to approximately $1,278,000, reflecting a current ratio of 1.3 to 1. This compares to cash and cash equivalents of approximately $327,000 and working capital of approximately $687,000, reflecting a current ratio of 1.2 to 1 as of April 30, 2015.

During the three month period ended July 31, 2015, net cash used in operating activities totaled approximately $511,000. Net loss in the period totaled approximately $117,000 and included approximately $213,000 of stock based compensation expense. Depreciation and amortization expense of approximately $24,000 was recorded in the period. Inventory decreased by approximately $224,000, the decrease in inventories was a management decision to reduce inventory levels and conserve working capital. Trade receivable increased by approximately $504,000, primarily the result of a shipments that occurred towards the end of quarter. Accounts payable decreased by approximately $265,000 and accrued liabilities decreased by approximately $55,000. .

Net cash provided by financing activities totaled approximately $727,000 for the three month period ended July 31, 2015 and consisted of proceeds of $500,000 from the aforementioned sale of common stock. The Companies borrowing on its line of credit increased by approximately $254,000 in the period and paid back approximately $28,000 of convertible notes.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of April 30, 2015 are as follows:

	Non-Related Party	Related Party	Total
Year ending April 30:			
2016	169,000	90,000	259,000
2017	82,000	90,000	172,000
2018	84,000	90,000	174,000
2019	85,000	45,000	130,000
2020	86,000	—	86,000
Thereafter			
Total	$ 506,000	$ 315,000	$ 821,000

The Company has no other material commitments.

Results of Operations

Revenues for the three month period ended July 31, 2015 were approximately $7,338,000 compared to revenues of $7,725,000 for the comparable prior year period. The decrease in revenues from the prior year's first quarter was the result of a decrease in average selling prices.

Cost of sales for the three month period ended July 31, 2015 was $5,934,000 versus $6,476,000 in the prior year comparable period. Cost of sales as a percentage of revenues for the fiscal quarters ended July 31, 2015 and 2014 were 81% and 84%, respectively. The Companies improving financial condition has allow for improved purchasing terms. The company has also reduced factory overhead with reduced employee headcount and associated benefits.

Engineering expense for the three month period ended July 31, 2015 was $54,000 versus $165,000 for the same respective prior year period. The Company has reduced employee headcount and associated benefits.

Selling, general and administrative expense for the three month period ended July 31, 2015 totaled $1,191,000 versus $1,644,000 in the same prior year period, a decrease of approximately $453,000. The Company has reduced head count and associated benefits, the company has also reduced cost for facilities, consultants and contractors.

Stock compensation cost in the three month period ended July 31, 2015 was approximately $213,000 compared to approximately $5,000 in the comparable prior year period. The cost in this year's fiscal first quarter was primarily the result of a one-time stock award for the Company's Chief Executive Officer.

Other income (expense), net for the three month period ended July 31, 2015 totaled expense of $62,000 versus $196,000 of expense for the same prior year period. Other expense in this year's first quarter consisted of primarily $194,000 of interest expense. Other expense in the three month period ended July 31, 2015 consisted of primarily $194,000 of interest expense. The interest expense recorded in the quarter ended July 31, 2014 included a non cash interest charge of approximately $133,000 recorded for the amortization of debt discount as a result of the issuance of the subordinated convertible notes and interest expense of approximately $60,000 on the Company's revolving bank credit line.

Critical Accounting Policies

During December 2001, the Securities and Exchange Commission ("SEC") published a Commission Statement in the form of Financial Reporting Release No. 60 which encouraged that all registrants discuss their most "critical accounting policies" in management's discussion and analysis of financial condition and results of operations. The SEC has defined critical accounting policies as those that are both important to the portrayal of a company's financial condition and results, and that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. While the Company's significant accounting policies are summarized in Note 1 of notes to consolidated financial statements included in this Annual Report, management believes the following accounting policies to be critical:

Revenue Recognition - Revenue is recognized when title passes upon shipment of goods to customers. The Company's revenue earning activities involve delivering or producing goods. The following criteria are met before revenue is recognized: persuasive evidence of an arrangement exists, shipment has occurred, selling price is fixed or determinable and collection is reasonably assured. The Company does experience a minimal level of sales returns and allowances for which the Company accrues a reserve at the time of sale in accordance with the Revenue Recognition – Right of Return Topic of the FASB ASC. Estimated warranty costs are accrued by management upon product shipment based on an estimate of future warranty claims.

Research and Development - Research and development costs are expensed as incurred, including Company-sponsored research and development and costs of patents and other intellectual property that have no alternative future use when acquired and in which we had an uncertainty in receiving future economic benefits. Development costs of a computer software product to be sold, leased, or otherwise marketed are subject to capitalization beginning when a product’s technological feasibility has been established and ending when a product is available for general release to customers. Technological feasibility of a computer software product is established when all planning, designing, coding and testing activities that are necessary to establish that the product can be produced to meet its design specifications (including functions, features and technical performance requirements) are completed.

Income Taxes - The Company utilizes the asset and liability method of accounting for income taxes in accordance with the provisions of the Expenses – Income Taxes Topic of the FASB ASC. Under the asset and liability method, deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The Company considers certain tax planning strategies in its assessment as to the recoverability of its tax assets. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in earnings in the period that the tax rate changes. The Company recognizes, in its consolidated financial statements, the impact of a tax position, if that position is more likely than not to be sustained on audit, based on technical merits of the position. There are no material unrecognized tax positions in the financial statements.

Goodwill – The carrying value of goodwill is not amortized, but is tested annually as of March 31 as well as whenever events or changes in circumstances indicate that the carrying amount may not be recoverable using a two-step process. As of April 30, 2015, management has concluded that no impairment of goodwill is required.

Warrants –The pricing model the Company uses for determining fair values for warrants is the Black-Scholes Pricing Model. Valuations derived from this model are subject to ongoing internal and external verification and review. The model uses market-sourced inputs such as interest rates, market prices and volatilities.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including deferred income tax asset valuation allowances and certain other reserves and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Some of the more significant estimates made by management include the allowance for doubtful accounts and sales returns, the deferred income tax asset valuation allowance and other operating allowances and accruals. Actual results could differ from those estimates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company does not invest in market risk sensitive instruments. At times, the Company's cash equivalents consist of overnight deposits with banks and money market accounts. The Company's objective in connection with its investment strategy is to maintain the security of its cash reserves without taking market risk with principal.

The Company purchases and sells primarily in U.S. dollars. The Company sells in foreign currency (primarily Euros) to a limited number of customers and as such incurs some foreign currency risk. At any given time, approximately 5% to 25% of the Company’s accounts receivable are denominated in currencies other than U.S. dollars. At present, the Company does not purchase forward contracts as hedging instruments, but could do so as circumstances warrant.

ITEM 4. CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting during the quarter ended July 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

On April 8, 2015, MPP Associates, Inc. and Mr. Palker filed a complaint, styled MPP Associates, Inc. and Marc Palker v. Dataram Corporation, Jon Isaac, David Moylan, Michael Markulec and Richard Butler, in the Superior Court of the State of New Jersey, Essex County, Docket No. ESX-L-002413-15 and on March 9, 2015 filed a complaint with the US Department of Labor, Occupational Safety and Health Administration alleging violation of the Sarbanes-Oxley Act of 2002 alleging retaliation, among other things. On April 9, 2015, Mr. Freemen filed a complaint, styled John Freeman v. Dataram Corporation, David A. Moylan, Jon Isaac, and John Does 1-5, in the Superior Court of the State of New Jersey, Essex County, Docket No. ESX-L-002471-15. On April 10, 2015, the Company filed an action against Mr. Freeman, Mr. Palker and MPP Associates, Inc., styled Dataram Corporation v. John Freeman, Marc Palker and MPP Associates, Inc. , in the Superior Court of the State of New Jersey, Mercer County, Docket No. ESX-L-000886-15. The lawsuits have been consolidated and are now pending and in the early stages of discovery, and therefore there can be no assurance regarding the potential outcome of such litigation although the Company intends to defend such lawsuits vigorously.

Item 1A. RISK FACTORS.

Additional Risk Factors

There have been no material changes to the Risk Factors in Item 1A of our Annual Report on Form 10-K for the fiscal year ended April 30, 2015, other than the following:

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

No reportable event.

Item 3. DEFAULTS UPON SENIOR SECURITIES.

No reportable event.

Item 4. MINE SAFETY DISCLOSURES

No reportable event.

Item 5. OTHER INFORMATION.

No reportable event.

Item 6. EXHIBITS.

Exhibit No	Description
9(a)	Common Stock Purchase Agreement
31(a)	Rule 13a-14(a) Certification of David A. Moylan.
31(b)	Rule 13a-14(a) Certification of Anthony M. Lougee.
32(a)	Section 1350 Certification of David A. Moylan (furnished not filed).
32(b)	Section 1350 Certification of Anthony M. Lougee (furnished not filed).
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATARAM CORPORATION

Date: September 14, 2015

By: /s/ ANTHONY M. LOUGEE
Anthony M. Lougee
Chief Financial Officer

Exhibit 31(a)

Rule 13a-14(a) Certification

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302

I, David A Moylan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dataram Corporation;

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 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: September 14, 2015

/s/ David A. Moylan
David A. Moylan, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31(b)

Rule 13a-14(a) Certification

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302

I, Anthony M. Lougee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Dataram Corporation;

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 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: September 14, 2015

/s/ Anthony M. Lougee
Anthony M. Lougee
Chief Financial Officer
(Principal Financial & Accounting Officer)

Exhibit 32(a)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Dataram Corporation, a New Jersey corporation (the "Company"), on Form 10-Q for the quarter ended July 31, 2015, as filed with the Securities and Exchange Commission (the "Report"), David A. Moylan, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to 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 result of operations of the Company.

September 14, 2015

/s/ David A. Moylan
David A. Moylan
President and Chief Executive Officer

[A signed original of this written statement required by Section 906 has been provided to Dataram Corporation and will be retained by Dataram Corporation and furnished to the Securities and Exchange Commission or its staff upon request.]

Exhibit 32(b)

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Dataram Corporation, a New Jersey corporation (the “Company”), on Form 10-Q for the quarter ended July 31, 2015, as filed with the Securities and Exchange Commission (the “Report”), Anthony M. Lougee, Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to 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 result of operations of the Company.

September 14, 2015	/s/ Anthony M. Lougee
	Anthony M. Lougee
	Chief Financial Officer

[A signed original of this written statement required by Section 906 has been provided to Dataram Corporation and will be retained by Dataram Corporation and furnished to the Securities and Exchange Commission or its staff upon request.]