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

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 11/11/2010

INFORMATION ANALYSIS INCORPORATED

(Exact name of registrant as specified in its charter)

Commission File Number: 000-22405

VA
(State or other jurisdiction of
incorporation)

54-1167364
(IRS Employer
Identification No.)

11240 Waples Mill Rd, Ste 201, Fairfax, VA 22030
(Address of principal executive offices, including zip code)

703-383-3000
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition

On November 11, 2010, Information Analysis Incorporated issued a press release reporting earnings and other financial results for its third quarter. A copy of this press release, captioned, "Information Analysis Inc. Reports Third Quarter Profitable Results", is attached as exhibit 99.1 to this Current Report on Form 8-K (the "8-K"). The information in this 8-K, including the exhibit, shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

Press Release dated November 11, 2010, captioned: "Information Analysis Inc. Reports Third Quarter Profitable Results".

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 hereunto duly authorized.

INFORMATION ANALYSIS INCORPORATED

Date: November 15, 2010

By: /s/ Matthew T. Sands

Matthew T. Sands
Controller

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
EX-99.1	Ex. 99.1 - Press Release dated November 11, 2010

For additional information contact:
Richard S. DeRose
(703) 293-7901

For release: November 11, 2010

Information Analysis Inc. Reports Third Quarter Profitable Results

FAIRFAX, VIRGINIA – Information Analysis Inc. (IAIC:OTCBB) today reported results for its third fiscal quarter ended September 30, 2010. Revenues were \$1,952,000 compared to \$1,988,000 reported in the third quarter 2009. The information technology services company reported net income of \$42,000, or \$0.00 per share basic and diluted, compared to net income of \$122,000, or \$0.01 per share basic and diluted, in the third quarter 2009.

For the nine months ended September 30, 2010, IAI's revenues were \$5,655,000 compared to revenues of \$4,787,000 for the same period in 2009. The Company reported net income of \$225,000 or \$0.02 per share basic and diluted, compared to net income of \$66,000, or \$0.01 per share basic and diluted, reported for the comparable 2009 period.

“The year to date revenue and profit in comparison to last year increased significantly. Additionally, as a result of our continuing investment in sales and marketing, we have been awarded a number of new contracts in the past few months worth in excess of 2 million dollars,” said Sandor Rosenberg, Chairman and Chief Executive Officer of IAI. “There are still a number of bid opportunities outstanding for new business, which should allow our profitability to continue to grow.” “We continue to pursue merger and acquisition opportunities.”

About Information Analysis Incorporated

Information Analysis Incorporated (www.infoa.com), headquartered in Fairfax, Virginia, is an information technology services company. The Company is a web solution provider and software conversion specialist, modernizing legacy systems and extending their reach to the internet world.

Additional information for investors

This release may contain forward-looking statements regarding the Company's business, customer prospects, or other factors that may affect future earnings or financial results. Such statements involve risks and uncertainties which could cause actual results to vary materially from those expressed in the forward-looking statements. Investors should read and understand the risk factors detailed in the Company's 10-K for the fiscal year ended December 31, 2009 and in other filings with the Securities and Exchange Commission.

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Information Analysis Reports Third Quarter Results

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Information Analysis Incorporated Statements of Operations

	Three months ended September 30,	
<i>(in thousands, except per share data; unaudited)</i>	<u>2010</u>	<u>2009</u>
Revenue:		
Professional fees	\$ 1,293	\$ 1,302
Software sales	659	686
Total revenue	<u>1,952</u>	<u>1,988</u>
Cost of goods sold and services provided:		
Cost of professional fees	723	751
Cost of software sales	593	580
Total cost of sales	<u>1,316</u>	<u>1,331</u>
Gross margin	636	657
Selling, general and administrative expense	596	536
Income from operations	40	121
Other income, net	2	1
Income before income taxes	42	122
Provision for income taxes	--	--
Net income	<u>\$ 42</u>	<u>\$ 122</u>

Earnings per common share:

Basic	\$	0.00	\$	0.01
Diluted	\$	0.00	\$	0.01

Shares used in calculating earnings per share:

Basic	11,196,760	11,196,760
Diluted	11,224,521	11,208,403

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Information Analysis Reports Third Quarter Results

November 11, 2010

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Information Analysis Incorporated
Statements of Operations

<i>(in thousands, except per share data; unaudited)</i>	Nine months ended September 30,	
	<u>2010</u>	<u>2009</u>
Revenue:		
Professional fees	\$ 3,921	\$ 3,601
Software sales	1,734	1,186
Total revenue	<u>5,655</u>	<u>4,787</u>
Cost of goods sold and services provided:		
Cost of professional fees	2,178	2,295
Cost of software sales	1,475	931
Total cost of sales	<u>3,653</u>	<u>3,226</u>
Gross margin	2,002	1,561
Selling, general and administrative expense	1,784	1,503
Income from operations	218	58
Other income, net	7	8
Income before income taxes	225	66
Provision for income taxes	--	--
Net income	<u>\$ 225</u>	<u>\$ 66</u>

Earnings per share:

Basic	\$	0.02	\$	0.01
Diluted	\$	0.02	\$	0.01

Shares used in calculating earnings per share:

Basic	11,196,760	11,196,760
Diluted	11,216,833	11,207,820

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Information Analysis Reports Third Quarter Results

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<i>(in thousands)</i>	As of September 30, 2010 <i>(unaudited)</i>	As of December 31, 2009 <i>(audited)</i>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,877	\$ 1,479
Accounts receivable, net	1,667	940
Prepaid expenses	761	689
Note receivable	6	--
Total current assets	<u>4,311</u>	<u>3,108</u>
Fixed assets, net	35	42
Note receivable	13	--
Other assets	6	6
Total assets	<u>\$ 4,365</u>	<u>\$ 3,150</u>
 LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 732	\$ 89
Accrued payroll and related liabilities	252	255
Other accrued liabilities	621	307
Deferred revenues	805	779
Total current liabilities	<u>2,410</u>	<u>1,430</u>
Common stock, par value \$0.01, 30,000,000 shares authorized; 12,839,376 shares issued, 11,196,760 outstanding	128	128
Additional paid in capital	14,564	14,554
Accumulated deficit	(11,807)	(12,032)
Less treasury stock; 1,642,616 shares at cost	(930)	(930)
Total stockholders' equity	<u>1,955</u>	<u>1,720</u>
Total liabilities and stockholders' equity	<u>\$ 4,365</u>	<u>\$ 3,150</u>

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