

Pink Sheets

Section One: Issuers' Initial Disclosure Obligations

**Part A General Company Information**

**i. The exact name of the issuer and its predecessor.**

ZYTO Corp

- Formerly Quiver Corp. until September 2006
- Formerly Pinnacle Transportation, Inc. until September 2006
- Formerly Quadrant Resources Corp. until June 2003
- Formerly Walker's Hook International Ltd. until November, 1999

**ii. The address of the issuer's principal executive offices.**

1266 South 1380 West

Orem, UT 84058

Telephone: 801-224-7199

Fax: 801-221-4662

[www.zyto.com](http://www.zyto.com)

Investor Relations Contact: Kami Howard

**iii. The state and date of the issuer's incorporation or organization.**

State of incorporation: Delaware, May 27, 1998

**iv. The name and address of the transfer agent.**

OTC Stock Transfer, Inc.,

231 East 2100 South

Salt Lake City, UT 84165

\*Transfer Agent is registered under the Exchange Act.

\*Regulatory Authority = Securities Exchange Commission

**v. The nature of the issuer's business.**

**a. Business Development**

**i. The form of organization of the issuer**

1. ZYTO Corp is a Delaware Corporation

**ii. The year that the issuer (or any predecessor) was organized**

1. Organized May 27, 1998
  - a. Formerly Quiver Corp until September 2006
  - b. Formerly Pinnacle Transportation, Inc. until September, 2006
  - c. Formerly Quadrant Resources Corp. until June, 2003
  - d. Formerly Walker's Hook International Ltd. until November, 1999

- iii. **The issuer's fiscal year end date**
    - 1. December 31
  - iv. **Whether the issuer has been in bankruptcy, receivership or any similar proceeding**
    - 1. The corporation has never been in bankruptcy.
  - v. **Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets**
    - 1. On January 28, 2008, ZYTO entered into an agreement to purchase the inventory and continuing business operations of InteMedica, LLC.
  - vi. **Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments**
    - 1. None
  - vii. **Any change of control**
    - 1. None
  - viii. **Any increase of 10% or more of the same class of outstanding equity securities**
    - 1. N/A
  - ix. **Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization**
    - 1. As of June 30, 2008, ZYTO entered into an agreement to divest itself of ownership of its InteMedica business.
  - x. **Any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board**
    - 1. None
  - xi. **Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.**
    - 1. None
- b. Business of Issuer**
- i. **The issuer's primary and secondary SIC Codes**
    - 1. N/A
  - ii. **If the issuer has never conducted operations, is in the development stage, or is currently conducting operations**
    - 1. Currently conducting operations
  - iii. **If the issuer is considered a "shell company" pursuant to Securities Act Rule 405**
    - 1. N/A
  - iv. **The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement.**

1. Zyto Technologies, Inc. , wholly owned subsidiary (a Nevada Corporation)
    - a. Operations consist of the manufacturing and distribution of decision support software applications
    - b. The financial results of Zyto Technologies, Inc. are included in the consolidated financial statements posted on pinksheets.com under the symbol ZYTC.
  - v. The effect of existing or probably governmental regulations on the business**
    1. None
  - vi. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the costs of such activities are borne directly by customers**
    1. 2006 - \$162,073
    2. 2007 - \$487,570
      - a. ZYTO has expensed all research and development costs related to significant enhancements and upgrades to its proprietary software.
  - vii. Costs and effects of compliance with environment laws (federal, state and local)**
    1. None
  - viii. The number of total employees and number of full-time employees**
    1. Total employees = 23
    2. Total full-time employees = 22
- vi. The nature of products or services offered.**
- a. Principal products or services, and their markets**
    - i. Principal products
      1. LSA Pro – professional market
      2. Balance – professional market
      3. EVOX – professional market
      4. Compass – consumer market
        - a. ZYTO charges its customers a nominal monthly subscription fee for the use of the software. This fee is used for ongoing training, support, and software upgrades.
    - ii. Markets
      1. Leading clinicians, from locations around the world are now using the ZYTO technology. ZYTO’s global influence is a result of the technology’s universal appeal and the instruments’ adaptability to numerous languages and cultures. Most recently, in February 2007, ZYTO brought its technology to Shanghai, China, and as the world landscape changes, ZYTO technology will continue to expand to accommodate the needs of expanding markets.

- b. Distribution methods of the products and services**
    - i. ZYTO uses a variety of distribution methods. ZYTO utilizes authorized distributors, independent sales representatives, direct mail, mass media advertising, and telemarketing as distribution channels for products and services.
  - c. Status of any publicly announced new product or service**
    - i. ZYTOLife
      - 1. ZYTOLife is an online shopping cart service that was announced at ZYTO's Annual Users Conference in Salt Lake City, Utah in April, 2008.
        - a. Current status: The project is under development. Beta testing has not yet been launched.
  - d. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition**
    - i. In the health professional marketplace there are 3-4 companies whose equipment may be considered competitive to ZYTO. However, their products vary in application and in function.
    - ii. In the consumer marketplace there is no competitive alternative.
    - iii. ZYTO's method of competing is to develop high quality products, high quality marketing material, and to focus on customer education and support, before and after the sale.
  - e. Sources and availability of raw materials and the names of principal suppliers**
    - i. Principal hardware suppliers and lead times:
      - 1. Champion Precision Technology Co., Ltd = six week lead time
      - 2. Newonics, Inc. = six week lead time
  - f. Dependence on one or a few major customers**
    - i. None
  - g. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration**
    - i. In 2004, a process patent was filed through the law firm of Thorpe, North, and Western, Sandy, Utah. The current status is "patent pending". ZYTO has trademarked the company name.
  - h. The need for any government approval of principal products or services and the status of any requested government approvals**
    - i. Zyto has received documentation from Underwriters Laboratories (UL), a registered FDA consulting organization, stating that ZYTO's technology is not a medical device and therefore does not require FDA registration. ZYTO is always reviewing the changes in the industries and the laws of the countries that its operating in to remain in compliance.
- vii. The nature and extent of the issuer's facilities.**
- a. ZYTO is obligated under certain non-cancelable operating leases for the rental of office and manufacturing space for its corporate office at 1266 South 1380 West, Orem, UT

84058. Future minimum lease payments under non-cancelable operating leases are as follows:

- i. 2008 = \$60,564
- ii. 2009 = \$62,381

## **Part B Share Structure and Issuance History**

**viii. The exact title and class of securities outstanding.**

- a. ZYTO is authorized to issue two types of shares:
  - i. Common Class
  - ii. Preferred Class
- b. CUSIP Number: 989872106
- c. Trading Symbol: ZYTC

**ix. Description of the security.**

- a. The total number of shares of stock which ZYTO is authorized to issue is One Hundred Million (100,000,000) shares of which Eighty Million (80,000,000) shares with a par value of One Tenth of One Mil (\$.0001) each, amounting to Eight Thousand Dollars (\$8,000) are Common Stock and Twenty Million (20,000,000) shares with a par value of One Tenth of One Mil (\$.0001) each, amounting to Two Thousand (\$2,000) are Preferred Stock.
- b. Each share of stock is entitled to one vote.

**x. The number of shares or total amount of the securities outstanding for each class of securities authorized**

Period end date	2006	2007	Q1, 2008
Number of shares authorized (Common)	80,000,000	80,000,000	80,000,000
Number of shares authorized (Preferred)	20,000,000	20,000,000	20,000,000
Number of shares outstanding (Common)	24,236,048	25,133,169	26,056,885
Number of shares outstanding (Preferred)	0	0	0

\*Freely tradable shares as of July 8, 2008 = 6,058,082

\*Total number of beneficial shareholders as of March 25, 2008 = 299

\*Total number of shareholders of record as of July 8, 2008 = 257

**xi. List of securities offerings and shares issued for services in the past two years.**

	2006	2007	As of March 31, 2008
Nature of offering	Rule 506	Rule 506	Rule 504
Number of shares sold	950,000	610,067	815,491
Price at which the shares were offered and the amount paid to the issuer	\$0.50/\$398,000	\$1.00-\$1.50/\$735,101	\$0.08-\$0.29/\$112,411
Trading status of the shares	Restricted	Restricted	Unrestricted
Whether the certificates that evidence the shares contain a legend	YES	YES	YES

\*Total shares issued for services = 481,550

\*Total shares issued for debt conversions = 5,090,278

\*100,000 shares were issued in January 2008 as part of the consideration paid for the InteMedica, LLC acquisition.

**Part C Management and Control Structure**

**xii. The name of the chief executive officer, members of the board of directors, and well as control persons.**

a. Officers and Directors

i. Vaughn R Cook, Chief Executive Officer, Director

1. Business Address: 1266 South 1380 West, Orem, UT 84058
2. Five year employment history
  - a. May 1, 2001-December 31, 2004 – President of Digital Health, Inc.
  - b. January 1, 2005 – Present – Chief Executive Officer of ZYTO Corp.
3. No board memberships and other affiliations
4. Compensation = \$85,000 annually, plus 15,000 common shares annually for board participation
5. Number of shares beneficially owned = 2,700,833 common shares
6. Mr. Cook has NOT been the subject of:
  - a. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

- b. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
  - c. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
  - d. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.
- ii. Adam Ford, Director
1. Business Address: 2975 West Executive Parkway, Ste. 136, Lehi, UT 84043
  2. Five year employment history
    - a. Prior to 2005 – McDermott Will & Emery, New York, Associate Attorney
    - b. 2005 – Present – Private Law Practice in Utah, current firm name Ford & Huff, LC
  3. No Board memberships and other affiliations
  4. Compensation = 15,000 common shares annually for board participation
  5. Number of shares beneficially owned = 0
  6. Mr. Ford has NOT been the subject of:
    - a. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
    - b. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
    - c. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or

commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

- d. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

iii. Goodwin Wang, Director

1. Business Address: Unit 20C, New Shanghai International Tower, 360 Pu Dong Rd. South, Shanghai 200120, People's Republic of China
2. Five year employment history
  - a. Past five years, SES Investment Limited, CEO
  - b. Past five years, InteMedica Shanghai, CEO
3. No board memberships and other affiliations
4. Compensation = 15,000 common shares annually for board participation
5. Number of shares beneficially owned = 0
6. Mr. Wang has NOT been the subject of:
  - a. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
  - b. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
  - c. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
  - d. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

iv. Kami J Howard, Chief Financial Officer, Secretary

1. Business Address: 1266 South 1380 West, Orem, UT 84058
2. Five year employment history
  - a. January, 2000 – February, 2003 – VP, Corporate Controller of BioMeridian Corporation
  - b. February 2003 – March 2007 – VP, Corporate Controller of Browz Group, LC



- c. March 2007 – Present – Chief Financial Officer of ZYTO Corp
- 3. No board memberships or other affiliations
- 4. Compensation = \$85,000 annually
- 5. Number of shares beneficially owned = 0
- 6. Ms. Howard has NOT been the subject of:
  - a. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
  - b. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
  - c. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
  - d. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

**v. Disclosure of Certain Relationships/Conflicts of Interest**

- 1. Ford and Huff, LC, of which Mr. Ford is a principal, currently serves as ZYTO's legal counsel.
- 2. On April 28, 2008, ZYTO entered into a Letter of Intent with InteMedica (Shanghai) Investment Ltd, and SES Investment Limited to form and capitalize a new foreign-owned company in China, TUUN Technologies Investment Limited. Mr. Wang has an equity interest in InteMedica (Shanghai) Investment Ltd. and SES Investment Ltd.

- xiii. **Beneficial Owners. List of name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer’s equity securities.**

	Address	Number of Shares	Percentage of Ownership	Class
Vaughn R and Kathryn C Cook Foundation 501(c)(3)	102 South 1980 West, Provo, UT 84601	5,000,000	18.21%	Common
Vaughn R Cook	102 South 1980 West, Provo, UT 84601	2,700,833	9.83%	Common
Kathryn C. Cook	102 South 1980 West, Provo, UT 84601	2,450,000	8.92%	Common

- xiv. **The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure.**

- a. Investment Banker – None
- b. Promoters – None
- c. Counsel
  - i. Ford & Huff, LC  
Mr. Adam Ford  
2975 West Executive Parkway, Ste. 136  
Lehi, UT 84043  
Phone: 801-407-8555  
E-mail: adamford@gmail.com
- d. Accountant or Auditor
  - i. Auditors  
Hansen, Barnett & Maxwell, P.C.  
Mr. Paul Skeen  
5 Triad Center, Suite 750  
Salt Lake City, UT 84180  
Phone: 801-532-2200  
www.hbmcpas.com  
**\*Registered with the Public Company Accounting Oversight Board**
  - ii. Accountants  
Squire & Company, PC  
Mr. Dwayne Asay  
1329 South 800 East  
Orem, UT 84097

Phone: 801-225-6900

[www.squire.com](http://www.squire.com)

*\*ZYTO consults with Squire and Company for review and tax services*

- iii. Public Relations Consultant – None
- iv. Investor Relations Consultant – None

## **Part D Financial Information**

*\*Financial statements are incorporated by reference*

**xv. Financial information for the issuer's most recent fiscal period.**

- a. A consolidated balance sheet, consolidated statement of income, and consolidated statement of cash flows has been posted on pinksheets.com under the symbol ZYTC for the period ending March 31, 2008. All financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) by persons with sufficient financial skills.

**xvi. Similar financial information for the two preceding fiscal years as the issuer or its predecessor has been in existence**

- a. Audit reports for the years ending 2005, 2006, and 2007 have been posted on pinksheets.com under the symbol ZYTC. The following statements are included within each audit report.
  - i. Balance sheet;
  - ii. Statement of income;
  - iii. Statement of cash flows;
  - iv. Statement of changes in stockholders' equity;
  - v. Financial notes
  - vi. Audit letter

**xvii. Management's Discussion and Analysis or Plan or Operation.**

**a. Financial Condition and Results of Operation**

- i. **Historical.** As of December 31, 2007 and 2006, ZYTO had an accumulated deficit of \$6,455,344 and \$5,404,562. In addition, during the years ended December 31, 2007 and 2006, ZYTO experienced net losses of \$1,505,782 and \$559,294. ZYTO also had negative cash flows from operating activities of \$778,460 and \$358,598 for the years ended December 31, 2007 and 2006.
- ii. **Future.** ZYTO has focused to date primarily on product development. Beginning Q3, 2008, the focus shifted to marketing and sales. All in-house sales personnel have been transitioned to outside independent sales representatives. Additionally, ZYTO has contracted with distributor organizations to reach health professional and consumer markets worldwide. In the future, ZYTO anticipates contracting with additional sales organizations and independent sales

representatives as a means of expanding revenue. Sales and software subscriptions are the current primary sources of liquidity.

In addition to the shift to marketing and sales, ZYTO is implementing management systems that allow it to expand rapidly without increasing fixed costs.

ZYTO uses a marketing strategy of cooperation with companies who benefit from the use of ZYTO technology. These companies include nutraceutical companies who sell natural products to health professionals, who in turn provide them to their patients. Companies who participate in marketing with ZYTO are referred to as SAMs (Strategic Alliance Members). The SAM program does not provide any type of revenue sharing between companies, but does provide sales opportunities to both.

ZYTO is also pursuing revenue growth through international expansion. The Letter of Intent to create an operating company in China with InteMedica (Shanghai) Investment Ltd. and SES Investment Limited is part of that strategy. Expansion into the Chinese marketplace will be accomplished through this new company and ZYTO will profit as an equity owner.

**b. Off-Balance Sheet Arrangements**

- i. Letter of Intent dated April 28, 2008
  1. ZYTO, InteMedica (Shanghai) Investment Ltd, and SES Investment Limited are in the process of forming and capitalizing a new foreign-owned company in China, TUUN Technologies Investment Limited. TUUN has not yet been formed and therefore shares cannot yet be transferred to the parties. ZYTO has agreed to contribute \$50,000 to the registered capital of TUUN.

**xviii. Material Contracts.**

**a. Employee Compensatory Plans**

- i. On March 25, 2008, the Board of Directors approved a Statutory Incentive Stock Option Plan, which includes 2,000,000 common shares at a strike price of \$0.22 cents. This plan has not yet been implemented.

**xix. Articles of Incorporation and Bylaws.**

- a. The Certificate of Incorporation has been posted on pinksheets.com under the symbol ZYTC.
- b. The Bylaws have been posted on pinksheets.com under the symbol ZYTC.