**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

**FORM 10-Q**

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

For the quarterly period ended June 30, 2012

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 333-14229

**INFORMATION SYSTEMS ASSOCIATES, INC.**
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **FLORIDA** | **65-0493217** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **819 SW Federal Highway, Suite 206, STUART, FLORIDA** | **34994** |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: **(772) 403-2992**

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 S No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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 S No £

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

| | |
|---|---|
| Large accelerated filer £ | Accelerated filer £ |
| Non-accelerated filer £ (Do not check if a smaller reporting company) | Smaller reporting company S |

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

| Class | Outstanding at August 13, 2012 |
|---|---|
| Common Stock, $0.01 par value per share | 30,599,417 shares |

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## PART 1. FINANCIAL STATEMENTS

### INFORMATION SYSTEMS ASSOCIATES, INC.
### CONDENSED BALANCE SHEETS

**ASSETS**

| | | As of | | |
|---|---|---|---|---|
| | | **June 30, 2012** | | **December 31, 2011** |
| **Current Assets** | | (Unaudited) | | |
| Cash and cash equivalents | $ | 50,052 | $ | 988 |
| Accounts receivable | | 141,430 | | 184,232 |
| Prepaid consulting | | 5,000 | | 22,500 |
| Prepaid expenses | | 15,222 | | 16,437 |
| Total Current Assets | | 211,704 | | 224,157 |
| Property and Equipment (net) | | 29,336 | | 52,500 |
| **TOTAL ASSETS** | $ | 241,040 | $ | 276,657 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | |
| **Current Liabilities** | | | | |
| Accounts payable | $ | 193,587 | $ | 139,609 |
| Note payable | | 10,000 | | |
| Notes payable - factoring | | 91,364 | | 115,126 |
| Note payable - line of credit | | 38,979 | | 35,146 |
| Note payable - insurance | | 6,051 | | 4,174 |
| Note payable - shareholders | | 50,000 | | |
| Note payable - related party | | 145,265 | | 25,000 |
| Note payable - convertible, net | | 244,062 | | 274,427 |
| Accrued expenses and other liabilities | | 36,770 | | 896 |
| Total Current Liabilities | | 816,078 | | 594,378 |
| **Stockholders' Equity (Deficit)** | | | | |
| Common stock-$.001 par value, 50,000,000 shares authorized, 30,599,417 and 28,666,084 issued and outstanding at June 30, 2012 and December 31, 2011, respectively | | 30,599 | | 28,666 |
| Additional paid in capital | | 3,314,796 | | 3,164,813 |
| Accumulated deficit | | (3,920,433) | | (3,511,200) |
| Total Stockholders' Equity (Deficit) | | (575,038) | | (317,721) |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)** | $ | 241,040 | $ | 276,657 |

The accompanying notes are an integral part of these unaudited condensed financial statements.

**INFORMATION SYSTEM ASSOCIATES, INC.**
**CONDENSED STATEMENTS OF OPERATIONS**
**(UNAUDITED)**

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2012** | **2011** | **2012** | **2011** |
| **Revenue** | $ 158,109 | $ 74,621 | $ 233,704 | $ 201,875 |
| **Cost of Sales** | 14,067 | 9,884 | 32,940 | 26,914 |
| **Gross Profit** | 144,042 | 64,737 | 200,764 | 174,961 |
| **Operating Expenses** | | | | |
| Administrative and general | 83,044 | 85,064 | 159,276 | 169,273 |
| Salaries and employee benefits | 112,105 | 144,210 | 228,592 | 286,355 |
| Professional | 107,756 | 79,958 | 175,470 | 240,392 |
| Total Operating Expenses | 302,905 | 309,232 | 563,338 | 696,020 |
| (Loss) Before Other Income (Expense) | (158,863) | (244,495) | (362,574) | (521,059) |
| **Other Income (Expense)** | | | | |
| Other income (expense) | — | (237) | — | (237) |
| Loss on retirement of asset | (257) | | (257) | |
| Interest expense | (25,757) | (2,238) | (46,402) | (3,831) |
| Total Other Income (Expense) | (26,014) | (2,475) | (46,659) | (4,068) |
| Net (Loss) | (184,877) | (246,970) | (409,233) | (525,127) |
| **Other Comprehensive (Loss)** | | | | |
| Unrealized gain/(loss) on securities: | | | | |
| Arising during the year | — | | — | |
| Total other comprehensive (loss) | — | — | — | — |
| Comprehensive (Loss) | $ (184,877) | $ (246,970) | $ (409,233) | $ (525,127) |
| **Basic and Fully Diluted (Loss) per Share:** | | | | |
| Basic and fully diluted | $ (0.01) | $ (0.01) | $ (0.01) | $ (0.02) |
| Weighted average common shares outstanding | 29,940,485 | 26,711,688 | 30,599,417 | 26,129,607 |

The accompanying notes are an integral part of these unaudited condensed financial statements.

**INFORMATION SYSTEMS ASSOCIATES, INC.**
**CONDENSED STATEMENTS OF CASH FLOWS**
**(UNAUDITED)**

| | For the Six Months Ended June 30, 2012 | For the Six Months Ended June 30, 2011 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Net (Loss) | $ (409,232) | $ (525,127) |
| Adjustments to reconcile net (loss) to net cash provided from operating activities: | | |
| Depreciation and amortization | 22,907 | 4,372 |
| Common stock for services | 10,000 | — |
| Amortization of prepaid consulting | 17,500 | 116,687 |
| Beneficial conversion feature, net | 32,011 | |
| Original issue discount, net | 7,484 | |
| Changes in assets and liabilities | | |
| Accounts receivable | 42,802 | 42,504 |
| Prepaid expenses | (1,215) | (8,840) |
| Other assets | — | (1,690) |
| Accounts payable | 53,978 | 58,866 |
| Accrued expenses and other liabilities | 35,874 | (2,405) |
| Deferred revenue | — | (2,500) |
| Net Cash (Used in) Operating Activities | (187,891) | (318,133) |
| | | |
| **Cash Flows from Investing Activities** | | |
| Loss on disposal of equipment | (257) | — |
| Investment in software development | — | (19,350) |
| Purchase of property and equipment | — | (10,231) |
| Net Cash (Used In) Investing Activities | (257) | (29,581) |
| | | |
| **Cash Flows from Financing Activities** | | |
| Proceeds from line of credit | 5,218 | 3,480 |
| Payments on line of credit | (1,385) | |
| Proceeds from accounts receivable financing | 218,839 | |
| Payments on accounts receivable financing | (242,602) | |
| Proceeds from related party debt | 158,765 | |
| Payments on related party debt | (38,500) | |
| Proceeds from convertible notes | 75,000 | |
| Proceeds from note payable | 10,000 | |
| Proceeds from note payable - shareholder | 50,000 | 25,000 |
| Net proceeds from insurance financings | 1,877 | 1,770 |
| Proceeds from issuance of stock | — | 255,000 |
| Net Cash Provided by Financing Activities | 237,212 | 285,250 |
| | | |
| Net Change in Cash and Cash Equivalents | 49,064 | (62,464) |
| | | |
| Cash and Cash Equivalents at Beginning of period | 988 | 70,326 |
| | | |
| Cash and Cash Equivalents at End of Period | $ 50,052 | $ 7,862 |

The accompanying notes are an integral part of these unaudited condensed financial statements.

## NOTE 1 – NATURE OF OPERATIONS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Business Activity

Information Systems Associates, Inc. (Company) was incorporated under the laws of the State of Florida on May 31, 1994. The Company provides Mobile Data Center Management™ systems and turnkey data center management solutions to customers. Our products and services include data center asset/inventory management, data center management software and data center data collection. Utilizing its proprietary and patented technology, OSPI® (On Site Physical Inventory®), customers are able to manage data centers on a mobile basis, bringing data center management out of the office and into the data center.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and with the rules and regulations of the U.S Securities and Exchange Commission for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. The unaudited condensed consolidated financial statements reflect all normal recurring adjustments, which, in the opinion of management, are considered necessary for a fair presentation of the results for the periods shown. The results of operations for the periods presented are not necessarily indicative of the results expected for the full fiscal year or for any future period. The information included in these unaudited condensed consolidated financial statements should be read in conjunction with Management's Discussion and Analysis and Plan of Operation contained in this report and the audited consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

### Recent Accounting Pronouncements

Accounting Standards Updates which were not effective until after June 30, 2012 are not expected to have a significant effect on the Company's condensed consolidated financial position or results of operations.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Reclassifications

Certain reclassifications may have been made to the prior period financial statements presented to conform to June 30, 2012 financial statement content. Such reclassifications have no effect on reported income.

### Convertible Debt

In accordance with ASC 470-20, the Company calculated the value of any beneficial conversion features embedded in its convertible debts. If the debt is contingently convertible, the intrinsic value of the beneficial conversion feature is not recorded until the debt becomes convertible.

Convertible debts are split into two components: a debt component and a component representing the embedded derivatives in the debt. The debt component represents the Company's liability for future interest coupon payments and the redemption amount. The embedded derivatives represent the value of the warrant that debt holders have to convert into ordinary shares of the Company.

The debt component of the convertible debt is measured at amortized cost and therefore increases as the present value of the interest coupon payments and redemption amount increases, with a corresponding charge to interest. The debt component decreases by the cash interest coupon payments made. The embedded derivatives are measured at fair value at each balance sheet date, and the change in the fair value is recognized in the income statement.

## NOTE 2 – GOING CONCERN

As reflected in the accompanying financial statements, the Company had a net operating loss for the six months ended June 30, 2012 of $409,233. The total accumulated deficit as of June 30, 2012 was $3,920,433. The ability of the Company to continue as a going concern is dependent on the Company's ability to further implement its business plan and raise additional capital. On February 24, 2012 management received $62,500 in exchange for convertible notes amounting to $68,750 and warrants to purchase 1,375,000 shares of the Company's common stock and on May 11, 2012 an additional $12,500 was received in exchange for convertible notes with warrants to purchase 275,000 shares of the Company's common stock. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

**NOTE 3 – CASH AND CASH EQUIVALENTS**

| | As of | |
|---|---|---|
| | **June 30, 2012** | **December 31, 2011** |
| Wells Fargo (FDIC insured to $250,000) | $ 49,875 | $ 811 |
| Petty cash | 177 | 177 |
| Total cash and cash equivalent | $ 50,052 | $ 988 |

**NOTE 4 – COMPUTER SOFTWARE DEVELOPED FOR INTERNAL USE**

Version 3 of the Company's "On Site Physical Inventory" (OSPI) product has been released. The Company has capitalized the cost of the OSPI software using FASB Accounting Standards Codifications 350-40 "Internal Use Software" as follows:

| | **2012** | **2011** |
|---|---|---|
| Development costs | $ 36,022 | $ 36,033 |
| Less: accumulated amortization | 27,017 | 9005 |
| | $ 9,005 | $ 27,017 |

**NOTE 5 – PROPERTY AND EQUIPMENT**

| | As of | |
|---|---|---|
| | June 30, 2012 | December 31, 2011 |
| Computer software (developed) | $ 36,022 | $ 36,022 |
| Computer software (purchased) | 590 | 590 |
| Web site development | 10,072 | 10,072 |
| Furniture, fixtures, and equipment | 39,458 | 40,712 |
| Leasehold improvements | 1,664 | 1,664 |
| | 87,806 | 89,060 |
| Less accumulated depreciation and amortization | 58,470 | 36,560 |
| | $ 29,336 | $ 52,500 |

Depreciation and amortization expense for property and equipment was $4,896 and $4,372 for the six months ended June 30, 2012 and 2011, respectively.

**NOTE 6 – NOTE PAYABLE**

On June 27, 2012 an accredited investor loaned the Company $10,000 at a rate of 18% interest for one year, payable monthly. At June 30, 2012, interest in the amount of $15 had accrued on the note payable.

**NOTE 7 – NOTES PAYABLE – FACTORING**

On December 12, 2011, the Company entered into a purchase and sale agreement with a third party account receivable factoring company. The agreement continues in effect as long as there is an outstanding balance owed by the Company. The agreement requires a payment of 3% for the first thirty days and 1/10 of 1 percent thereafter on the face amount of the accounts receivable financed. The balance at June 30, 2012 and December 31, 2011 was $91,364 and $115,126, respectively.

**NOTE 8 – NOTE PAYABLE – LINE OF CREDIT**

The Company has a line of credit with Wells Fargo Bank. The line of credit provides for borrowings up to $40,000. The balance as of June 30, 2012 and December 31, 2011 was $38,979 and $35,146, respectively. The interest rate is the Prime Rate plus 3%. The President of the Company is a personal guarantor on the line of credit.

**NOTE 9 – NOTES PAYABLE - INSURANCE**

On March 1, 2012, the Company incurred additional short term financings of $8,581 for the purchase of insurance. The interest rate on the financing was 6.96% and will mature in February 2013.

As of June 30, 2012 and December 31, 2011, the balance on the notes incurred for insurance financing was $6,051 and $4,174, respectively.

**NOTE 10 – NOTES PAYABLE – SHAREHOLDERS**

On January 11, 2012, a shareholder loaned the Company $35,000 at 3% interest per month for one year. On April 13 2012, the shareholder loaned principal to the Company in the aggregate amount $25,000. On June 28, 2012, the Company made a $10,000 principal payment on the note. At June 30, 2012, the principal balance on the note was $50,000 with accrued interest of $695.

**NOTE 11 – NOTES PAYABLE – RELATED PARTY**

On May 28, 2011, the Company's Chairman and Chief Executive Officer advanced the Company $25,000 in exchange for a promissory note, bearing an annual interest of 6% and a repayment term of seven months, in order to fund the working capital needs of the Company. On January 1, 2012, the note was extended for 12 months, The Company made two principal payments of $5,000 each on June 21 and June 28 of 2012 which reduced the principal balance at June 30, 2012 to $15,000. As of June 30, 2012, accrued interest of $1,635 is due on the note.

At various times during the three months ended June 30, 2012, the Company's President, advanced a total of $68,500. No interest was due on these short-term advances. At June 30, 2012, there was a balance due of $40,000. On July 2, 2012, the balance was paid in full.

On June 20 and 28 of 2012, a partnership in which the President of the Company is a partner, made a non interest bearing short-term loan to the Company in the amount of $60,000.

During the three months ended June 30, 2012, the Company reclassified $30,265 of accounts payable balances to notes payable-related party. These balances were a result of Company expenses charged to Chief Executive Officer's personal credit cards. The Company was previously paying the credit card companies directly.

At June 30, 2012, the balance due on all notes payable to related parties is $145,265.

**NOTE 12 – NOTES PAYABLE – CONVERTIBLE**

On July 15 and July 18, 2011, the Company received a total of $250,000 from two accredited investors in exchange for one year original issue discount notes in the aggregate amount of $275,000, convertible into the Company's common stock at a conversion rate of $0.10 per share and bearing interest of 10%, plus five-year warrants to purchase 800,000 shares of the Company's common stock at an exercise price of $0.10 per share. The market value of the stock at the date of issuance of the warrants was $0.10. The warrants are issued as a result of a financing transaction and contain a beneficial conversion feature. On March 6, 2012, one of the convertible notes in the amount of $146,361 was converted into 1,833,333 shares of common stock. On the remaining note, the Company determined there was a $0.01 intrinsic value associated with beneficial conversion feature. This feature is valued at $13,750 and is being amortized as interest expense with the corresponding amount added to the carry value of the note. At the time of the conversion of one of the notes, the remaining note's warrant provisions were restructured resulting in an additional issuance of 687,500 in warrants.

On February 24, 2012, the Company received $62,500 from one accredited investor in exchange for a one year original issue discount note in the amount of $68,750 convertible into the Company's common stock at a conversion rate of $0.05 per share at an interest rate of 10% plus five-year warrants to purchase 1,375,000 shares of the Company's common stock at an exercise price of $0.10 per share. The Company determined there was a $0.03 intrinsic value associated with beneficial conversion feature on this note. This feature is valued at $41,667 and is being amortized as interest expense with the corresponding amount added to the carry value of the note.

On May 11, 2012, the Company received $12,500 from one accredited investor in exchange for a one year original issue discount note in the amount of $13,750 convertible into the Company's common stock at a conversion rate of $0.05 per share at an interest rate of 10% plus five-year warrants to purchase 275,000 shares of the Company's common stock at an exercise price of $0.10 per share. The Company determined there was an $0.03 intrinsic value associated with beneficial conversion feature on this note. This feature is valued at $8,250 and is being amortized as interest expense with the corresponding amount added to the carry value of the note.

Original issue discount in the amount of $20,695 is being expensed as interest over the term of the notes. For the six months ending June 30, 2012, the Company has recorded interest expense in the amount of $11,235.

As of June 30, 2012, the balance on the outstanding convertible notes, net of unamortized original issue discount is $244,062.

**NOTE 13 – INCOME TAXES**

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is no longer subject to U.S. federal or state income tax examinations by tax authorities for years before 2007. None of the tax years subject to examination are currently under examination by a tax authority and the Company has not received notice of the intent by any tax authority to commence an examination.

The Company adopted the provisions of FIN No. 48 on January 1, 2007. As a result of the implementation of FIN No. 48, the Company did not recognize any liability for unrecognized tax benefits, since the Company has concluded that all of its tax positions are highly certain of being upheld upon examination by federal or state tax authorities.

**NOTE 14 – NET (LOSS) PER SHARE**

Basic earnings per share (EPS) is computed by dividing net (loss) by the weighted average number of common shares outstanding. The dilutive EPS adds the dilutive effect of stock options, warrants and other stock equivalents. During the six months ended June 30, 2012, outstanding warrants to purchase an aggregate of 2,175,000 shares of stock were excluded from the computation of dilutive earnings per share because the inclusion would have been anti-dilutive.

**NOTE 15 – SUPPLEMENTAL CASH FLOW INFORMATION**

Supplemental disclosures of cash flow information for the six months ended June 30, 2012 and 2011 is summarized as follows:

| | 2012 | 2011 |
|---|---|---|
| Cash paid during the periods for interest and income taxes | | |
| Income taxes | $ — | $ — |
| Interest | $ 46,402 | $ 426 |

**NOTE 16 – OPERATING LEASE**

On April 25, 2011, the Company entered into a 3 year escalating lease agreement for 1,352 square feet commencing July, 2011. The monthly rental rate is $1,800, $1,920 and $2,040 for the lease years ending July 31, 2012, 2013 and 2014, respectively. The Company incurred $1,664 in leasehold improvements prior to occupancy and paid a security deposit of $1,800.

On September 19, 2011, the Company entered into a 1 year sublease for 2,000 square feet in Las Vegas, Nevada. The sublease commenced on October 15, 2011 and requires monthly payments of $3,000. A security deposit of $3,000 was paid to the landlord.

During May 2012, the Company elected to close the office in Las Vegas and has notified the landlord accordingly. The Company anticipates that the security deposit held by the landlord will be applied to future unpaid rents and have accrued in the financial statements unpaid rent in the amount of $4,500 which represents 50% of rents due for the month of May, 2012 and June 2012 rents.

Rent expense for the six months ended June 30, 2012 and 2011 was $33,685 and $5,112, respectively.

**NOTE 17 – COMMON STOCK**

On March 6, 2012, a convertible note in the amount of $146,361 was converted into 1,833,333 shares of common stock.

In May 2011, the Company issued 500,000 shares of common stock to three accredited investors in exchange for $50,000.

In January 2011, the Company issued 50,000 shares of common stock in exchange for $5,000 in a private placement with an accredited investor.

In January 2011, the Company issued 3,000,000 shares of common stock in exchange for $150,000 in a private placement with its new director and Chief Operating Officer.

**NOTE 18– SHARE BASED PAYMENTS FOR SERVICES**

In January 2012, the Company issued 100,000 shares of common stock to an independent director in payment of director fees for the coming year. The shares were value at $0.10 per share based upon the market value of the Company's common stock on the date of the grant.

On December 31, 2011, the Company issued 500,000 shares of common stock to its Chief Operating Officer in payment for services for the three months ended December 31, 2011.

On July 14, 2011, the Company issued 250,000 shares of common stock to one accredited investor in exchange for $25,000.

On July 1, 2011, the Company issued 500,000 shares of common stock to its Chief Operating Officer in payment for services for the three months ended September 30, 2011.

In June 2011, the Company issued 200,000 shares of common stock to its two independent directors in payment of director fees for the coming year. The shares were valued at $0.10 per share based upon the market value of the Company's common stock on the date of the grant.

In May 2011, the Company issued 100,000 shares of common stock in connection with a one year financial communications agreement. The shares were valued at $0.10 per share based upon the market value of the Company's common stock on the date of the grant.

On April 2, 2011, the Company issued 300,000 shares of common stock in connection with a one year investor relations agreement. The shares were valued at $0.10 per share based upon the market value of the Company's common stock on the date of the grant.

On April 1, 2011, the Company issued 500,000 shares of common stock to its Chief Operating Officer in payment for services for the three months ended September 30, 2011.

In January 2011, the Company issued 500,000 shares of common stock to its Chief Operating Officer in payment for services for the three months ended March 31, 2011.

To determine the valuation of the options, FASB Accounting Standards Codification 718, "Compensation – Stock Compensation" requires a valuation technique to estimate the fair value of the options issued. The Black-Sholes Model incorporates the various characteristics for proper valuation. Using the Black-Sholes model, the Company assessed the value of the outstanding options at December 31, 2011. The Company determined that due to the lack of a marketability of the Company's stock, no adjustments were deemed material to the financial statements.

Following is a summary of the status of options outstanding for the six months ending June 30, 2012 and 2011, respectively:

| | For the Six Months Ended June 30, 2012 | | For the Six Months Ended June 30, 2011 | |
|---|---|---|---|---|
| | Shares | Weighted Average Exercise Price | Shares | Weighted Average Exercise Price |
| Outstanding at beginning of period | 1,487,500 | $ 0.10 | 15,000,000 | $ 3.00 |

| | | | | |
|---|---|---|---|---|
| Granted | 687,500 | 0.1 | — | — |
| Exercised | — | — | — | — |
| Forfeited | — | — | — | — |
| Expired | | — | — | — |
| Outstanding at end of period | 2,175,000 | | 15,000,000 | $ 3.00 |
| Exercisable at end of period | 2,175,000 | $ 0.10 | 15,000,000 | $ 3.00 |
| Outstanding | | | | |
| Weighted average remaining contractual term | | 0.1 | | 0.09 |
| Aggregated intrinsic value | | — | | — |
| Weighted average grant date fair value | | N/A | | N/A |
| Exercisable | | | | |
| Weighted average remaining contractual term | | 0.1 | | 1.09 |
| Aggregated intrinsic value | | — | | — |

**NOTE 19 – SUBSEQUENT EVENTS**

During July 2012, an additional investment of $15,000 was made by the holder of the note payable listed in Note 6 on the same terms and conditions.

On August 3, the Board approved the promotion of its VP of Product Development and Operations to Chief Operating Officer.

As used herein the terms “we”, “us”, “our”, the “Registrant,” “ISA” and the “Company” means, Information Systems Associates, Inc., a Florida corporation.

GENERAL DESCRIPTION OF BUSINESS

BUSINESS OVERVIEW

We have been in business since May of 1994. During the first twelve (12) years of operation, the primary focus of the business was to offer for sale, through ISA’s Value Added Reseller Agreements in place in several of the industry leaders, software products and services that allow companies to track and manage assets, primarily in the realm of corporate real estate and corporate IT network infrastructure including equipment maintained in corporate data centers. We refer to our product and services suite as asset management solutions. Our solutions reduced sourcing, procurement and tracking costs, improve tracking of data center assets.

In 1995, we became a Business Partner (a/k/a Value Added Reseller) with Avocent Huntsville Corp. (formerly Aperture Technologies Inc. of Stamford, CT) Huntsville, AL. At that time, Avocent’s Data Center Management tools (“System”), was one of the leading solutions in the IT field. For more than five years, Avocent Huntsville Corp. provided enterprise asset management solutions to customers in the United States, Europe and Asia and Pacific Rim. During this same timeframe, we offered Avocent’s enterprise asset management solutions to customers and prospects in North America.

The typical Value Added Reseller Agreement allows the vendor’s partner/subcontractor (in this case ISA) the ability to offer to its client’s and prospects a Commercial Off The Shelf (COTS) software solution to address a particular business problem. The primary focus of ISA’s business is working with data center operations and facilities departments to identify and then implement a software solution which addresses their needs based upon extensive research done prior to the selection and culminating in the purchase by the client and implementation by ISA of the chosen solution.

All of the products listed under our Value Added Reseller relationships (Vista, Vision FM, and RACKWISE DCM) are products developed by third parties.

The products obtained from third parties are done so through executed Value Added Reseller Agreements. Although each of the vendor’s agreements differs to some degree, the basic understandings are the same. Information Systems Associates, Inc. is authorized by each of the vendors to offer the vendor’s software as solutions to Information Systems Associates’ clients. In return, Information Systems Associates Inc. receives a commission on the sale of the software. The percentage ranges between twenty (20) and thirty (35) percent of the sale. The Company also may provide pre-sales support services to the vendor’s clients. In addition, Information Systems Associates, Inc. implements the software solution and provides training to its clients. On an ongoing basis, ISA can and does provide additional consulting services beyond those provided initially to the client.

The need for a better way to capture corporate IT asset information became evident to ISA’s management team. After reviewing the methods and technology in use at that time (1st Quarter 2006) for the purpose of data collection, it was decided within ISA to define a data collection process and subsequently to design and build a software solution capable of delivering quality data (output) through the use of programming techniques that incorporated many of the much needed features and capabilities, especially real time data validation. The result was that by year end of 2007 ON SITE PHYSICAL INVENTORY® (OSPI® ) was available for resale.

RELATED SERVICES

In connection with our software offerings, we provide the following services to our customers:

Consulting

A significant number of our customers request our advice regarding their business and technical processes, often in conjunction with a scoping exercise conducted both before and after the execution of a contract. This advice can relate to development or streamline assorted business processes, such as sourcing or procurement activities, assisting in the development of technical specifications, and recommendations regarding internal workflow activities.

Customization and Implementation

Based generally upon the up-front scoping activities, we are able to customize our solutions as required to meet the customer's particular needs. This process can vary in length depending on the degree of customization, the resources applied by the customer and the customer's business requirements. We work closely with our customers to ensure that features and functionality meet their expectations. We also provide the professional services work required for the implementation of our customer solutions, including loading of data, identification of business processes, and integration to other systems applications.

Training

Upon completion of implementation (and often during implementation), we train customer personnel to utilize our Solutions through our administrative tools. Training can be conducted in one-on-one or group situations. We also conduct "train the trainer" sessions.

Maintenance and Support

We provide regular software upgrades and ongoing support to our customers.

We have been providing consulting, customization and implementation, training, maintenance and support services to our customers since 1994.

CURRENT DEVELOPMENTS

In January, 2011, the Company hired a new Chief Operating Officer who was charged with identifying, and overseeing improvements and enhancements to our OSPI software and building out the company's salesforce. During the six months ended June 30, 2011, the Company prepared a software requirements analysis and begun development of a new and enhanced version of OSPI. In December of 2011 we released version 3 of our OSPI software.

On May 14, Adrian Goldfarb, who has been a director of the Company since 2010, was engaged in a consulting capacity to work with the Company's CEO in a number of areas related to the Company's operations and financial structure. Further to that effort, on June 26, 2012, Mr. Goldfarbwas appointed President and Chief Financial Officer effective July 1, 2012. Joseph Coschera, Chief Executive Officer, resigned the Chief Financial Officer position but will remain as Chief Executive Officer. Mr. Goldfarb's compensation will be based on an annual salary of $150,000 to be billed on a monthly basis in arrears.

Also on June 26, 2012, Loire Lucas resigned as both vice-president and director and Michael Hull was appointed as a director of the Company. Mr. Hull will assume the role of Audit Committee Chairman. Mr. Goldfarb previously held the Audit Committee position.

J Michael Reisert, a current director of the Company, will assume the role of Compensation Committee Chairman.

FORWARD LOOKING STATEMENTS

Certain statements in this report, including statements of our expectations, intentions, plans and beliefs, including those contained in or implied by "Management's Discussion and Analysis" and the Notes to Financial Statements, are "forward-looking statements", within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the ""Exchange Act"), that are subject to certain events, risks and uncertainties that may be outside our control. The words "believe", "expect", "anticipate", "Optimistic", "intend"' "will", and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date on which they are made. We undertake no obligation to update or revise any forward-looking statements.

These forward-looking statements include statements include statements of management's plans and objectives for our future operations and statements of future economic performance, information regarding our expansion and possible results from expansion, our expected growth, our capital budget and future capital requirements, the availability of funds and our ability to meet future capital needs, the realization of our deferred tax assets, and the assumptions described in this report underlying such forward-looking statements.

Actual results and developments could differ materially from those expressed in or implied by such statements due to a number of factors, including, without limitation, those described in the context of such forward-looking statements.

CRITICAL ACCOUNTING POLICIES

**Revenue recognition**

We recognize revenue in accordance with ASC 605-10 "Revenue Recognition" and ASC 605-25 "Revenue Arrangements with Multiple Deliverables".

Consulting services and training revenues are accounted for separately from subscription and support revenues when these services have value to the customer on a standalone basis and there is objective and reliable evidence of fair value of each deliverable. When accounted for separately, revenues are achieved and accepted by the customer for fixed price contracts. The majority of our consulting service contracts are on a time and material basis. Training revenues are recognized after the services are performed. For revenue arrangements with multiple deliverables, we allocate the total customer arrangement to the separate units of accounting based on their relative fair values, as determined by the price of the undelivered items when sold separately.

In determining whether the consulting services can be accounted for separately from subscription and support revenues, we consider the following factors for each consulting agreement: availability of the consulting services from other vendors, whether objective and reliable evidence for fair value exists for the undelivered elements, the nature of the consulting services, the timing of when the consulting contract was signed in comparison to the subscription service start date, and the contractual dependence of the subscription service on the customer's satisfaction with the consulting work. If a consulting arrangement does not qualify for separate accounting, we recognize the consulting revenue ratably over the remaining term of the subscription contract. Additionally, in these situations we defer the direct costs of the consulting arrangement and amortize these costs over the same time period as the consulting revenue is recognized. We did not have any revenue arrangements with multiple deliverables for the period ending June 30, 2011.

**Property, Plant, and Equipment**

Property and equipment is stated at cost. Depreciation is provided by the straight-line method over the estimated economic life of the property and equipment (three to ten years). When assets are sold or retired, their costs and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations.

We recognize an impairment loss on property and equipment when evidence, such as the sum of expected future cash flows (undiscounted and without interest charges), indicates that future operations will not produce sufficient revenue to cover the related future costs, including depreciation, and when the carrying amount of the asset cannot be realized through sale. Measurement of the impairment loss is based on the fair value of the assets.

**Software Development Costs**

The Company accounts for costs incurred to develop computer software for internal use in accordance with FASB Accounting Standards Codification 350-40 "Internal-Use Software". As required by ASC 350-40, we capitalize the costs incurred during the application development state, which include costs to design the software configuration and interfaces, coding, installation, and testing. Costs incurred during the preliminary project along with post-implementation stages of internal use computer software are expensed as incurred. Capitalized development costs are amortized over the estimated useful life. Costs incurred to maintain existing product offerings are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.

After the development of the internal-use OSPI® software was complete, we decided to market the software. Proceeds from the licenses of the computer software, net of direct incremental costs of marketing, such as commissions, software reproduction cost, warranty and service obligations, and installation cost, are applied against the carrying cost of that software. No profit will be recognized until aggregate net proceeds from licenses and amortization have reduced the carrying amount of the software to zero. Subsequent proceeds will be recognized in revenue as earned.

In December of 2011, the Company released Version 3 of the OSPI® software for sale in the marketplace. The Company accounts for internally produced software with FASB Accounting Standard Codification 985-20 "Cost of Software to Be Sold, Leased, or Otherwise Marketed". Costs were capitalized when the second version was established as technically feasible and will be written off on a straight line method over the estimated useful life.

## RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011

The following discussion should be read in conjunction with the unaudited condensed financial statements included in this report.

Revenues

Gross revenues were $233,704 and $201,875 for the six months ended June 30, 2012 and 2011, respectively. The increase in 2012 revenue is due primarily to a increase in consulting service revenue of approximately $22,700 and the related software sales revenue of $8,000. We recognize professional services revenue, which includes installation, training, consulting and engineering services, upon delivery of the services.

Operating Expenses

Operating expenses for the six months ended June 30, 2012 were $563,338 as compared to $696,020 for the six months ended June 30, 2011. The decrease resulted from a decrease in administrative and general expenses of approximately $10,000, salaries and employee benefits of $58,000 and professional fees of $65,000. We have operated for most of the period ending June 30, 2012 without a Chief Operating Officer. Professional fees associated with public relations and capital formation has been reduced as well as our need for consulting services on our completed version of our OSPI software.

Loss from Operations

We had a loss from operations of $362,574 for the six months ended June 30, 2012 as compared to a loss of $521,059 for the six months ended June 30, 2011. The decrease in the loss resulted from 15% increase in sales and a 25% decrease in operating expenses.

Interest Expense

Interest expense was $46,402 for the six months ended June 30, 2012 as compared to interest expense of $3,831 for the six months ended June 30, 2011. This significant increase in interest expense resulted from the amortization of interest expense associated with original issue discount and the beneficial conversion feature associated with our convertible notes. Over the same period we have increased our current liabilities, excluding accounts payable, from approximately $70,200 to $585,200.

Net Loss

Net loss for the six months ended June 30, 2012 was $409,233 as compared with a net loss of $525,127 for the six months ended June 30, 2011. Net loss per common share was $0.01 and $0.02 for the six months ended June 30, 2012 and 2011, respectively. Weighted average common shares outstanding for the six months ended June 30, 2012 and 2011 were 30,599,417 and 26,129,607, respectively. This increase in weighted average common shares outstanding also contributed to the decrease in net loss per common share between periods.

## RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2012 AND 2011

### Revenues

Gross revenues were $158,109 and $74,621 for the three months ended June 30, 2012 and 2011, respectively. The increase in 2012 revenue is due primarily to a increase in consulting service revenue of approximately $75,000 and our software sales increased by $11,000. Our OSPI licensing fees also increased $9,000. We recognize professional services revenue, which includes installation, training, consulting and engineering services, upon delivery of the services.

### Operating Expenses

Our operating expenses decreased slightly from $309,232 for the three months ended June 30, 2011 to $302,905 for the same period in 2012. While administrative and general expenses remained relatively unchanged between periods, our salaries and employee benefits decreased approximately $30,000. This decrease was offset by an increase of $27,800 in professional fees. The decrease in salaries and employee benefits was due largely to our lack of expense associated with our vacant Chief Operating Officer position.

### Loss from Operations

We had a loss from operations of $158,863 for the three months ended June 30, 2012 as compared to a loss of $244,495 for the three months ended June 30, 2011. The decrease in the loss resulted mainly from 129% increase in sales and a 2% decrease in operating expenses.

### Interest Expense

Interest expense was $25,757 for the three months ended June 30, 2012 as compared to interest expense of $2,238 for the three months ended June 30, 2011. This significant increase in interest expense resulted from the amortization of interest expense associated with original issue discount and the beneficial conversion feature associated with our convertible notes.

### Net Loss

Net loss for the three months ended June 30, 2012 was $184,877 as compared with a net loss of $246,970 for the three months ended June 30, 2011. Net loss per common share was $0.01 for the three months ended June 30, 2012 and 2011. Weighted average common shares outstanding for the three months ended June 30, 2012 and 2011 were 29,940,485 and 26,711,688, respectively.

### Liquidity and Capital Resources

Cash flows used in operations were $187,891 and $318,133, respectively, during the six months ended June 30, 2012 and 2011. Cash flows used in operations during the six months ended June 30, 2012 were primarily attributable to a net loss of $409,232 partially offset by a decrease in accounts receivable of $42,802 and increase in accounts payable and accrued liabilities of $53,978 and $35,874, respectively. Cash flows used in operations during the six months ended June 30, 2011 were primarily attributable to a net loss of $525,127, partially offset by the amortization of prepaid consulting expenses of $116,687 and an increase in accounts payable of $58,866.

During the six months ended June 30, 2012, we experienced minimal effect from investing activities as opposed to the six months ended June 30, 2011 where we invested $29,851 in new software development and property and equipment.

Cash flows provided by financing activities were $237,212 and $285,250 for the six months ended June 30, 2012 and 2011, respectively. These cash flows were provided primarily by net proceeds from related party notes of $120,265, proceeds from convertible notes of $75,000 and proceeds from shareholder loans of $50,000. Cash flows from financing activities for the six months ended June 30, 2012 were offset by net cash outflow on accounts receivable financing of approximately $24,000. Cash flows provided by financing activities for the six months ended June 30, 2011 were $285,250 and were primarily attributable to proceeds from the issuance of common stock and proceeds from shareholder loans of $255,000 and $25,000, respectively.

As of June 30, 2012, we had cash on hand of $50,052. During the six month period ending June 30, 2012, we have increased our debt by approximately $130,000 in the form of notes payable some of which are due on demand and others have a short-term maturity of 12 months or less. If we are unable to generate revenues sufficient to support our operations we will require additional debt or equity financing to meet the working capital needs of the Company. In February of 2012, we exchanged convertible notes payable in the face amount of approximately $137,500 for 1,833,333 shares of our common stock.

Our current level of operations will require additional capital to sustain operations through 2012. Management has identified the need for additional financing of up to $160,000 in order to fund the programming of the software enhancements and the market rollout of the new software product and is currently exploring various equity and debt financing alternatives. There can no assurance that these efforts will be successful. No significant amount of our trade payables has been unpaid within the stated trade term. We are not subject to any unsatisfied judgments, liens or settlement obligations. In March 2012, the Company put in place a new Private Placement Memorandum to raise up to $250,000. The offering is a combination of Original Issue Discount (OID) notes, convertible into the Company's stock at $0.05 per share with warrant coverage of 1 Warrant for every dollar invested based on the face value of the note at $0.10 per share with cashless exercise rights. The Company's management and board of directors is monitoring the progress of this raise and will review the Company's capital structure and working capital requirements in Q3 2012.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information to be reported under this item is not required of smaller reporting companies.

## ITEM 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

Our management, including our Principal Executive Officer and Principal Financial Officer, have evaluated the design, operation, and effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"). There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. During the 1st quarter, 2012, management determined that there were material weaknesses involving the internal controls and procedures. The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were the failure of the Company to have sufficient financial and management resources to manage the production and filing of this report in a timely manner.

Based upon the evaluation performed by our management, including its Principal Executive Officer and Principal Financial Officer,and based on a review of remdiation initiative undertaken, it was determined that, as of the end of the period covered by this quarterly report, our disclosure controls and procedures were now again effective to provide reasonable assurance that information required to be disclosed in the reports filed or submitted pursuant to the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including its Principal Executive Officer and Principal Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding disclosures

**The Company's New Management Remediation Initiatives**

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we retained Mr. Adrian Goldfarb, who currently serves on the board, in a consultancy capacity to review and recommend to management a series of measures designed to prevent the issue of late filings reoccurring. Mr. Goldfarb has public company experience and knowledge of disclosure controls and implementation of such controls. Mr. Goldfarb has since been appointed as the Company's President and Chief Financial Officer with a charter to manage the Company's internal control's and procedures.

Changes in Internal Control Over Financial Reporting

Our Principal Executive Officer and Principal Financial Officer have determined that, during the period covered by this quarterly report, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. They have also concluded that there were no significant changes in our internal controls after the date of the evaluation.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

From time to time we are involved in legal proceedings arising in the ordinary course of our business. On April 24, 2009, Phuture World, Inc. filed a complaint in the case captioned Phuture World, Inc. v. Information Systems Associates, Inc. and Joseph Coschera, Case No. 562009 CA 3086, 19th Judicial Circuit in and for St. Lucie County Florida. Phuture World originally alleged that the Company and its President breached the terms of a certain software development contract, and it sought damages in excess of $15,000. The plaintiff dropped all claims against the President and eliminated some of its other claims against the Company. The Company terminated the software contract at issue in the case prior to the filing of the case, and it no longer uses the services of Phuture World. The Company is contesting this lawsuit and believes that it has defenses to the claims made by Phuture World. The Company is vigorously defending itself and has filed and is pursuing damage claims of its own against Phuture World for Phuture World's failure to provide the software required under the contract between Phuture World and the Company. The Company believes that the outcome of this lawsuit will not have a material adverse effect on our financial condition, cash flows or results of operations.

### ITEM 1A. RISK FACTORS

Information regarding risk factors appears in Part I, "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" under the captions "General Description of Business" and "Cautionary Note Regarding Forward-Looking Statements" contained in this Quarterly Report on Form 10-Q and in "Item 1A. RISK FACTORS" of our 2011 Annual Report on Form 10-K. There have been no material changes from the risk factors previously disclosed in our 2011 Annual Report on Form 10-K.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

### ITEM 5. OTHER INFORMATION

None.

### ITEM 6. EXHIBITS

| Exhibit No. | Description |
|---|---|
| 31.1 | Certification of Chief Financial Officer |
| 31.2 | Certification of Chief Financial Officer |
| 32.1 | Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Statement required by 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002. |

**SIGNATURES**

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

**Information Systems Associates, Inc.**

| | |
|---|---|
| Date: August 13, 2012 | ***By: /s/ Joseph P. Coschera***<br>Joseph P. Coschera<br>Chief Executive Officer |
| Date: August 13, 2012 | ***By: /s/ Adrian Goldfarb***<br>Adrian Goldfarb<br>Chief Financial Officer |

**Exhibit 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**

I, Joseph P. Coschera, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Information Systems Associates, Inc.;

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

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

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

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

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

Date: August 13, 2012

***/s/ Joseph P. Coschera***
Joseph P. Coschera
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**

I, Adrian Goldfarb, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Information Systems Associates, Inc.;

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

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

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

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

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

Date: August 13, 2012

***/s/ Adrian Goldfarb***

Adrian Goldfarb

Chief Financial Officer

(Principal Financial Officer)

**Exhibit 32.1**

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

In connection with the quarterly report of Information Systems Associates, Inc. (the "Company") on Form 10-Q for the quarter ending June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof, I, Joseph P. Coschera, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly 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 quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2012

***/s/ Joseph P. Coscher*****a**
Joseph P. Coschera
Chief Executive Officer
(Principal Executive Officer)

In connection with the quarterly report of Information Systems Associates, Inc. (the "Company") on Form 10-Q for the quarter ending June 30, 2012, as filed with the Securities and Exchange Commission on the date hereof, I, Adrian Goldfarb, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly 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 quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 13, 2012

***/s/ Adrian Goldfarb***
Adrian Goldfarb
Chief Financial Officer
(Principal Financial Officer)