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

FORM 10-Q

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

For the Quarterly period ended **June 30, 2015**

OR

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

Commission file number 333-60608

JANEL CORPORATION

(Exact name of registrant as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization	**86-1005291** (I.R.S. Employer Identification No.)
303 Merrick Road – Suite 400 **Lynbrook, New York** (Address of principal executive offices)	**11563** (Zip Code)

Registrant's telephone number, including area code: **(718) 527-3800**

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark if the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition 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 ☐ Smaller Reporting Company ☒

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

The number of shares of Common Stock outstanding as of July 29, 2015 was 559,926 after giving effect to the 50:1 reverse stock split.

JANEL CORPORATION

TABLE OF CONTENTS

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

JANEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	JUNE 30, 2015 (Unaudited)	SEPTEMBER 30, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 323,580	$ 664,620
Accounts receivable, net of allowance for doubtful accounts of $168,629 at June 30, 2015 and $157,999 at September 30, 2014	9,870,703	8,563,522
Prepaid expenses and sundry current assets	162,060	221,398
TOTAL CURRENT ASSETS	**10,356,343**	**9,449,540**
PROPERTY AND EQUIPMENT, NET	**73,468**	**16,650**
OTHER ASSETS:		
Intangible assets, net	6,926,795	7,171,625
Security deposits	99,658	76,720
TOTAL OTHER ASSETS	**7,026,453**	**7,248,345**
TOTAL ASSETS	**$ 17,456,264**	**$ 16,714,535**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Note payable – bank	$ 2,950,306	$ 4,003,385
Accounts payable – trade	9,417,308	8,037,086
Accrued expenses and other current liabilities	597,179	314,889
Current portion of long-term debt – related party, net of imputed interest of $11,405 and $32,932, respectively	488,595	467,068
TOTAL CURRENT LIABILITIES	**13,453,388**	**12,822,428**
OTHER LIABILITIES:		
Long-term debt – related party, net of imputed interest of $94,783 and $134,596, respectively	905,217	865,404
Deferred compensation	78,568	78,568
TOTAL OTHER LIABILITIES	**983,785**	**943,972**
STOCKHOLDERS' EQUITY:		
Preferred Stock, $0.001 par value; 100,000 shares authorized: Series A; 20,000 shares authorized; 20,000 shares and 20,000 shares issued and outstanding, respectively	20	20
Series B; 5,700 shares authorized; 1,271 shares and 1,271 shares issued and outstanding, respectively	2	2
Series C; 7,000 shares authorized; 5,500 shares and 5,500 shares issued and outstanding, respectively	6	6
Common Stock, $0.001 par value; 4,500,000 shares authorized: 559,926 shares and 554,211 shares issued and outstanding, respectively	560	554
Paid-in Capital	8,367,488	8,307,961
Accumulated deficit	(5,348,985)	(5,360,408)
STOCKHOLDERS' EQUITY	**3,019,091**	**2,948,135**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 17,456,264**	**$ 16,714,535**

See notes to financial statements

JANEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	THREE MONTHS ENDED JUNE 30, 2015	THREE MONTHS ENDED JUNE 30, 2014	NINE MONTHS ENDED JUNE 30, 2015	NINE MONTHS ENDED JUNE 30, 2014
REVENUES	$ 16,650,954	$ 11,121,377	$ 47,182,227	$ 32,847,671
COSTS AND EXPENSES:				
Forwarding expenses	13,861,741	9,602,678	39,203,833	28,251,611
Selling, general and administrative	2,241,934	1,546,492	7,020,382	4,842,334
Depreciation and amortization	80,434	4,239	238,135	11,828
TOTAL COST AND EXPENSES	**16,184,109**	**11,153,409**	**46,462,350**	**33,105,773**
OPERATING INCOME (LOSS)	**466,845**	**(32,032)**	**719,877**	**(258,102)**
OTHER ITEMS:				
Interest expense, net of interest and dividend income	(116,937)	(38,630)	(373,612)	(85,662)
TOTAL OTHER ITEMS	**(116,937)**	**(38,630)**	**(373,612)**	**(85,662)**
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	**349,908**	**(70,662)**	**346,265**	**(343,764)**
Income taxes	17,773	4,000	25,773	9,000
INCOME (LOSS) FROM CONTINUING OPERATIONS	**332,135**	**(74,662)**	**320,492**	**(352,764)**
Loss from discontinued operations	(45,778)	(25,322)	(128,129)	(50,252)
NET INCOME (LOSS)	**$ 286,357**	**$ (99,984)**	**$ 192,363**	**$ (403,016)**
Preferred stock dividends	60,313	3,750	180,940	11,250
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	**$ 226,044**	**$ (103,734)**	**$ 11,423**	**$ (414,266)**
Income (loss) per share from continuing operations:				
Basic	$ 0.59	$ (0.14)	$ 0.58	$ (0.66)
Diluted	$ 0.56	$ (0.13)	$ 0.54	$ (0.62)
Income (loss) per share from discontinued operations:				
Basic	$ (0.08)	$ (0.05)	$ (0.23)	$ (0.09)
Diluted	$ (0.08)	$ (0.04)	$ (0.22)	$ (0.09)
Net income (loss) per share available to common shareholders:				
Basic	$ 0.40	$ (0.19)	$ 0.02	$ (0.77)
Diluted	$ 0.38	$ (0.18)	$ 0.02	$ (0.73)
Basic weighted average number of shares Outstanding	556,919	554,204	556,779	537,298
Fully diluted weighted average number of shares outstanding	592,624	586,909	589,484	570,003

See notes to financial statements

JANEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(unaudited)

	COMMON STOCK		PREFERRED STOCK					ACCUMULATED OTHER	
	SHARES	$	SHARES	$	TREASURY STOCK	ADDITIONAL PAID-IN CAPITAL	ACCUMULATED DEFICIT	COMPREHENSIVE LOSS	TOTAL
BALANCE–SEPTEMBER 30, 2014	**554,211**	**$ 554**	**26,771**	**$ 28**	**$ -**	**$ 8,307,961**	**$ (5,360,408)**	**$ -**	**$ 2,948,135**
Net income	-	-	-			-	192,363	-	192,363
Dividends to preferred shareholders	-	-	-	-	-	-	(180,940)	-	(180,940)
Common stock issuance as compensation	5,715	6	-	-	-	13,327	-	-	13,333
Stock options issued	-	-	-	-	-	46,200	-	-	46,200
BALANCE – JUNE 30, 2015	**559,926**	**$ 560**	**26,771**	**$ 28**	**$ -**	**$ 8,367,488**	**$ (5,348,985)**	**$ -**	**$ 3,019,091**

See notes to financial statements

JANEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	NINE MONTHS ENDED JUNE 30, 2015	NINE MONTHS ENDED JUNE 30, 2014
OPERATING ACTIVITIES:		
Net income (loss)	$ 192,363	$ (403,016)
Add (loss) from discontinued operations	128,129	50,252
Adjustments to reconcile net (loss) to net cash provided by operating activities:		
Bad debt reserve	(10,630)	298,908
Depreciation	14,135	11,828
Amortization of intangible assets	224,000	-
Amortization of imputed interest	61,339	-
Stock-based compensation	59,533	237,492
Changes in operating assets and liabilities:		
Accounts receivable	(1,296,552)	(767,935)
Prepaid expenses and sundry current assets	59,338	(47,185)
Accounts payable and accrued expenses	1,469,885	(12,419)
NET CASH PROVIDED BY (USED IN) CONTINUING OPERATIONS	**901,540**	**(632,075)**
NET CASH (USED IN) PROVIDED BY DISCONTINUED OPERATIONS	**(128,129)**	**182,216**
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**773,411**	**(449,859)**
INVESTING ACTIVITIES:		
Acquisition of property and equipment	(70,952)	(8,758)
Escrow refund from acquisition	20,830	-
NET CASH USED IN INVESTING ACTIVITIES	**(50,122)**	**(8,758)**
FINANCING ACTIVITIES:		
Preferred dividends paid	(11,250)	(11,250)
Repayments, net, from bank loan	(1,053,079)	(420,404)
Proceeds from the sale of common stock	-	500,000
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	**(1,064,329)**	**68,346**
DECREASE IN CASH AND CASH EQUIVALENTS	**(341,040)**	**(390,271)**
CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD	**664,620**	**625,584**
CASH AND CASH EQUIVALENTS – END OF PERIOD	**$ 323,580**	**$ 235,313**
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 316,348	$ 85,662
Income taxes	$ 20,371	$ 21,039
Non-cash financing activities:		
Dividends declared to preferred shareholders	$ 180,940	$ 11,250

See notes to financial statements

JANEL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015
(Unaudited)

1 BASIS OF PRESENTATION

The attached unaudited consolidated financial statements have been prepared pursuant to the rules and regulations of Article 10 of regulation S-X and instructions to Form 10-Q of the Securities and Exchange Commission. As a result, certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. The Company believes that the disclosures made are adequate to make the information presented not misleading. The consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for a full fiscal year, or any other period. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Form 10-K as filed with the Securities and Exchange Commission on or about December 29, 2014.

2 DEFERRED COMPENSATION

Deferred compensation of $78,568 represents compensation due to an officer of the Company upon termination, retirement or death. This amount has not changed since 1992 and was accrued during the years 1984 through 1992.

3 ACQUISITION

(A) ALPHA INTERNATIONAL, LP. AND PCL TRANSPORT, LLC.

On August 18, 2014 the Company entered into an Equity Interest Purchase Agreement ("EIPA") by and among the Company, its wholly owned subsidiaries, The Janel Group of New York, Inc., Janel Alpha GP, LLC, Alpha Logistics, LLC, Alpha International, LP ("AILP"), PCL Transport, LLC ("PCL"), and the principal owners of AILP and PCL, John Joseph Gonzalez II and Cathleen Margaret Gonzalez. On September 10, 2014, the Company completed the acquisition of all of the equity interests of AILP and PCL pursuant to the terms of the EIPA. As consideration for the equity interests, the Company paid $4,358,773 to the former owners of AILP and PCL at closing. The former owners of AILP and PCL may receive additional consideration over the next three years for their equity interests as follows: (i) $500,000 to be paid following the first anniversary of the closing provided that Mr. Gonzalez is still employed by the Company (or pro rata if the employment was terminated prior to that date); (ii) $500,000, plus an amount equal to 40% of the amount by which the Company's EBITDA exceeds $1.0 million to be paid following the second anniversary of the closing, provided that Mr. Gonzalez is still employed by the Company (or pro rata if the employment was terminated prior to that date) and the Company's EBITDA for the year then ended is more than $1.0 million; and $500,000, plus an amount equal to 40% of the amount by which such the Company's EBITDA exceeds $1.0 million to be paid following the third anniversary of the closing, provided that Mr. Gonzalez is still employed by the Company (or pro rata if the employment was terminated prior to that date) and the Company's EBITDA for the year then ended is more than $1.0 million.

The purchase price for the acquired assets was $5,691,245 consisting of $4,358,773 of cash, $1,332,472 of future cash to be paid (described above), net of imputed interest of $167,528.

In addition, the Company entered into an employment agreement with Mr. Gonzalez. Pursuant to the terms of the employment agreement, Mr. Gonzalez was (i) employed by the Company at an annual salary of $200,000 plus typical employee benefits for an initial term of three years ending September 10, 2017 and thereafter will renew for 1-year terms unless either party provides notice that it does not wish to renew, and (ii) granted option to purchase 2,000,000 shares of the Company's common stock at a purchase price of $0.0849 per share (refer to Note 8, below). The employment agreement also contains customary restrictive covenants.

(B) PURCHASE PRICE ALLOCATION

In accordance with the acquisition method of accounting, the Company allocated the consideration to the net tangible and identifiable intangible assets based on their estimated fair values which were determined by an independent valuation performed by a third party.

Goodwill represents the excess of the purchase price over the fair value of the underlying net tangible and identifiable intangible assets. The factors that contributed to the recognition of goodwill included securing buyer-specific synergies that increase revenue and profits and are not otherwise available to a marketplace participant.

The assets acquired and liabilities assumed as part of our acquisition were recognized at their fair values as of the acquisition date, September 10, 2014. The following table summarizes the fair values assigned to the assets acquired and liabilities assumed:

		Fair Value
Accounts receivable, net	$	2,987,487
Security deposits		19,150
Prepaid expenses and other current assets		654
Fixed assets		1,446
Accounts payable and other liabilities		(4,501,561)
Customer relationships		4,480,000
Goodwill		2,704,069
Purchase price	$	5,691,245

4 INTANGIBLE ASSETS

A summary of intangible assets resulting from the AILP and PCL acquisitions and the estimated useful lives used in the computation of amortization is as follows:

Customer relationships	$	4,480,000	15 years
Goodwill		2,704,069	
		7,184,069	
Less escrow refund		20,830	
Less accumulated amortization		236,444	
	$	6,926,795	

A summary of the changes in intangible assets is as follows:

		June 2015		September 2014
Balance – beginning of period	$	7,171,625	$	-
Additions		-		7,184,069
Reductions – escrow refund		(20,830)		-
Amortization		(224,000)		(12,444)
Balance – end of year period	$	6,926,795	$	7,171,625

Under current authoritative guidance goodwill is not amortized but is tested for impairment annually as well as when an event or change in circumstance indicates impairment may have occurred. Goodwill is tested for impairment by comparing the fair value of the Company's individual reporting units to their carrying amount to determine if there is potential goodwill impairment. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the implied fair value of the goodwill of the reporting unit is less than its carrying value.

5 NOTE PAYABLE – BANK

On March 27, 2014, the Company and its wholly-owned subsidiaries, entered into a Loan and Security Agreement with Presidential Financial Corporation ("Presidential") with respect to a three year $3.5 million (limited to the borrowing base and reserves) revolving line of credit facility (the "Presidential Facility") which replaces The Janel Group of New York's previous line of credit agreement with Community National Bank ("CNB"). On March 31, 2014, $1,282,673 of the Presidential Facility was used to repay the outstanding balances under the line of credit facility with CNB.

On September 10, 2014 in conjunction with the acquisition of AILP and PCL, the Company, AILP and PCL entered into a First Amendment to the Presidential Facility ("Loan Amendment"), with Presidential, which Loan Amendment among other things, (1) added AILP and PCL as co-borrowers, (2) increased the line of credit available (including AILP and PCL) from $3.5 million to $5.0 million and (3) increased the advance rate from 70% to 85%. On that date, $1,800,000 of the Presidential Facility was used to acquire AILP and PCL.

On September 25, 2014 there was a Second Amendment and the Presidential Facility was temporarily increased to $5.5 million and on October 9, 2014, there was a Third Amendment whereby the Presidential Facility was increased to $7.0 million. The Company can now borrow up to $7.0 million limited to 85% of the aggregate outstanding eligible accounts receivable, subject to adjustment as set forth in the Loan and Security Agreement. Interest will accrue at an annual rate equal to five percent above the greater of (a) the prime rate of interest quoted in The Wall Street Journal from time to time, or (b) 3.25%. The obligations under the Presidential facility are secured by all of the assets of the Company, AILP and PCL. The Presidential Facility will expire on March 26, 2017 (subject to earlier termination as provided in the Loan and Security Agreement) unless renewed. As of June 30, 2015, there were outstanding borrowings of $2,950,306 under the Presidential Facility (which represented 51.4% of the amount available thereunder) out of a total amount available for borrowing under the Presidential Facility of approximately $5,739,000.

6 LONG-TERM DEBT – RELATED PARTY

Long-term debt consists of the following:

	June 30, 2015	September 30, 2014
Non-interest bearing note payable to a related party, net of imputed interest due when earned (see Note 3A, above, regarding the earn-out period).	$ 1,393,812	$ 1,332,472
Less current portion	(488,595)	(467,068)
	$ 905,217	$ 865,404

These obligations mature as follows:

2015	$ 488,595
2016	472,199
2017	433,018
	$ 1,393,812

7 DISCONTINUED OPERATIONS

On August 28, 2013, the Company, and its wholly-owned subsidiary, The Janel Group of New York, Inc. (collectively, the "Seller"), entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Allports Logistics Anchor Wharehouse, LLC (the "Purchaser"), an entity affiliated with Nicholas V. Ferrara, a former director of the Company. Under the terms of the Agreement, the Purchaser purchased certain of the Seller's assets (the "NJ Assets") used by the Seller in the Company's Hillside, New Jersey freight forwarding and logistics operations (the "NJ Business"). The Company had originally acquired its New Jersey operations from an affiliate of Mr. Ferrara in two transactions in 2008 and 2010. The sale price of the NJ Assets consisted of $401,067 in cash, and the assumption of all future lease obligations with respect to the three office and warehouse facilities from which the Company conducted its New Jersey operations. At the closing of the sale on August 30, 2013, the Seller used the cash portion of the purchase price to repay outstanding obligations secured by the NJ Assets, including the $229,241 outstanding balance on the Seller's term loan from CNB, and an aggregate $58,245 on two outstanding equipment financing arrangements. Simultaneously with the closing Mr. Ferrara (i) paid the Company $110,000 for the release of restrictions on competition which were agreed to as part of the 2008 portion of the acquisition of the NJ Business and (2) returned to the Company the 1,714,286 restricted common shares that were previously issued as part of the 2010 portion of the acquisition of the NJ Business (the restricted common shares were subject to an earn out, however, none of the restricted common shares were earned). All of the expenses of the NJ Business from and after the closing are the responsibility of the Purchaser. The Company retained its pre-closing accounts receivable and accounts payable with respect to the NJ Business the net proceeds on these accounts receivable and payable will be used to further reduce the Company's obligations to Community National Bank. As previously reported by the Company, as of September 30, 2012 the Company had determined that there was full impairment of the goodwill relating to its 2008 and 2010 acquisitions of the NJ Business, and recorded an impairment loss of $1,167,070 on September 30, 2012, representing the write-off of all of the goodwill acquired in those transactions. As a result of the sale of the NJ Business to the Purchaser, the Company recorded a write off of $1,562,061 associated with the customer list from the 2008 and 2010 acquisitions of the NJ Business.

From April 2011 until June 2012, we operated a vertical sales and supply chain food industry business segment including supplier selection, manufacturing, transportation, import, distribution, marketing and sales within the food industry. During the June 2012 quarter the Company divested itself of and discontinued the food industry segment.

As a result of the above, the Company elected to discontinue the operations of the NJ Business and the food sales segment. The operations associated with the NJ Business and the food sales segment are summarized below. For the periods presented, there were no assets or liabilities associated with the NJ Business or the food sales segment.

	THREE MONTHS ENDED	
	June 30, 2015	**June 30, 2014**
TOTAL DISCONTINUED OPERATIONS:		
REVENUES	$ -	$ -
COSTS AND EXPENSES:		
Cost of sales	-	(339)
Selling, general and administrative expenses	45,778	25,661
Depreciation and amortization	-	-
TOTAL COSTS AND EXPENSES	**45,778**	**25,322**
LOSS FROM DISCONTINUED OPERATIONS	**$ (45,778)**	**$ (25,322)**

	THREE MONTHS ENDED June 30, 2015	THREE MONTHS ENDED June 30, 2014
NEW JERSEY DISCONTINUED OPERATIONS:		
REVENUES	$ -	$ -
COSTS AND EXPENSES:		
Cost of sales	-	(339)
Selling, general and administrative expenses	(180)	4,281
Depreciation and amortization	-	-
TOTAL COSTS AND EXPENSES	**(180)**	**3,942**
INCOME FROM NEW JERSEY DISCONTINUED OPERATIONS	**$ 180**	**$ (3,942)**

	THREE MONTHS ENDED June 30, 2015	THREE MONTHS ENDED June 30, 2014
FOOD SALES DISCONTINUED OPERATIONS:		
REVENUES	$ -	$ -
COSTS AND EXPENSES:		
Cost of sales	-	-
Selling, general and administrative expenses	45,958	21,380
Depreciation and amortization	-	-
TOTAL COSTS AND EXPENSES	**45,958**	**21,380**
LOSS FROM FOOD SALES DISCONTINUED OPERATIONS	**$ (45,958)**	**$ (21,380)**

	NINE MONTHS ENDED June 30, 2015	NINE MONTHS ENDED June 30, 2014
TOTAL DISCONTINUED OPERATIONS:		
REVENUES	$ -	$ -
COSTS AND EXPENSES:		
Cost of sales	-	(28,223)
Selling, general and administrative expenses	128,129	78,475
Depreciation and amortization	-	-
TOTAL COSTS AND EXPENSES	**128,129**	**50,252**
LOSS FROM DISCONTINUED OPERATIONS	**$ (128,129)**	**$ (50,252)**

	NINE MONTHS ENDED June 30, 2015	NINE MONTHS ENDED June 30, 2014
NEW JERSEY DISCONTINUED OPERATIONS:		
REVENUES	$ -	$ -
COSTS AND EXPENSES:		
Cost of sales	-	(28,223)
Selling, general and administrative expenses	(3,729)	40,898
Depreciation and amortization	-	-
TOTAL COSTS AND EXPENSES	**(3,729)**	**12,675**
INCOME FROM NEW JERSEY DISCONTINUED OPERATIONS	**$ 3,729**	**$ (12,675)**

	NINE MONTHS ENDED June 30, 2015	NINE MONTHS ENDED June 30, 2014
FOOD SALES DISCONTINUED OPERATIONS:		
REVENUES	$ -	$ -
COSTS AND EXPENSES:		
Cost of sales	-	-
Selling, general and administrative expenses	131,858	37,577
Depreciation and amortization	-	-
TOTAL COSTS AND EXPENSES	**131,858**	**37,577**
LOSS FROM FOOD SALES DISCONTINUED OPERATIONS	**$ (131,858)**	**$ (37,577)**

8 STOCKHOLDERS' EQUITY

On April 15, 2015, the Company filed with the Nevada Secretary of State: (1) a Certificate of Change Pursuant to NRS 78.209 providing for a one-for-fifty reverse stock split ("Reverse Stock Split"), such change which took effect on April 21, 2015. The Company issued one share of Common Stock for every fifty shares of Common Stock held as of the close of business on April 20, 2015. To avoid the issuance of fractional shares in connection with the Reverse Stock Split, if a shareholder would be entitled to receive a fractional share, such shareholder will instead receive a whole share in lieu of such fractional share.

As a result of the above, all relevant information relating to the number of shares, options and per share information have been retrospectively adjusted within these consolidated financial statements to reflect the Reverse Stock Split for all periods presented.

(a) PREFERRED STOCK

On August 25, 2014, the Company filed with the Nevada Secretary of State a Certificate of Designation for 7,000 shares of Series C Cumulative Preferred Stock, par value $0.001 per share (the "Series C Stock"). On September 10, 2014 the Company sold 5,000 unregistered shares of the newly authorized Series C Cumulative Stock for $2,500,000. On September 24, 2014 the Company sold an additional 500 unregistered shares of the Series C Stock for $250,000. Holders of Series C Stock ("Series C Holders") are entitled to receive annual dividends at a rate of 8.25% per annum of the original Series C Stock issuance price, or $500.00 per share subject to adjustment upon certain events (the "Original Issuance Price"), when, as and if declared by the Company's Board of Directors, such rate to increase by 2% annually beginning on the third anniversary of issuance of such Series C Preferred Stock to a maximum rate of 14.25%. In the event of liquidation, Series C Holders shall be paid an amount equal to the Original Issuance Price, plus any accrued but unpaid dividends thereon. Shares of Series C Preferred Stock may be redeemed (1) by the Company at any time upon notice and payment of the Original Issuance Price, plus any accrued but unpaid dividends thereon ("Redemption Price") or (2) by the Series C Holders at their option beginning on the fourth anniversary of the issuance of the Series C Preferred Stock for an amount equal to the Redemption Price.

(b) COMMON STOCK

On February 27, 2015, the Company's Board of Directors appointed Brendan Killackey, currently a director of the Company, as Chief Executive Officer. On March 2, 2015 Mr. Killackey was issued 5,715 shares of the Company's Common Stock with an aggregate value of $20,000 (or $3.50, the closing price for the Shares on February 27, 2015) for his services through August 31, 2015. The Company is recording a monthly expense in the amount of $3,333 for the six months through August 31, 2015.

On October 6, 2013, the Company entered into a Securities Purchase Agreement (the "Agreement") with Oaxaca Group LLC, (the "Investor"), for the sale to the Investor of an aggregate 153,847 shares of the Company's common stock at a purchase price of $3.25 per share, or an aggregate of $500,000. On October 30, 2013 the transaction closed. As part of the purchase, the Investor received warrants to purchase an aggregate 250,000 shares of common stock at $4.00 per share. The warrants expire five years after the closing date. The Agreement contains anti-dilution protections for the Investor. In addition, under the terms of the Agreement, the Company agreed that, at the Investor's option, the Company will present two nominees nominated by the Investor to become members of the Company's Board of Directors either through an action by written consent or through the vote of the Company's stockholders at the next meeting of the Company's stockholders, and from and after such time the size of the Company's Board of Directors will be limited to no more than four members, unless approved by the Investor. Furthermore, the Company agreed that it will not take certain actions without the approval of the Investor.

(c) STOCK OPTIONS

On December 29, 2014, options to purchase 5,000 shares of common stock at an exercise price of $4.50 per share were granted to Brendan Killackey a member of the Board of Directors of the Company and as of February 27, 2015 the Company's Chief Executive Officer. The option vests in three installments: On each of December 29, 2015 and 2016, the option becomes exercisable with respect to 1,667 shares and on December 29, 2017, the option becomes exercisable with respect to the remaining 1,666 shares. The fair value of the options, as determined by using a Black-Scholes Option Pricing Model, was $22,500 and since the options vest over a period of three years resulted in an $1,875 and $3,750 reduction to net income for the three and nine months ended June 30, 2015, respectively.

On September 10, 2014, in connection with the employment agreement with John Joseph Gonzalez II (refer to Note 3(A), above), options to purchase 40,000 shares of common stock at an exercise price of $4.245 per share were granted to Mr. Gonzalez. The option vests in three installments: On each of September 10, 2015 and 2016, the option becomes exercisable with respect to 13,333 shares and on September 10, 2017, the option becomes exercisable with respect to the remaining 13,334 shares. The fair value of the options was determined by using a Black-Scholes Option Pricing Model was $169,800 and since the options vest over a period of three years resulted in a $14,150 and $42,450 reduction to net income for the three and nine months ended June 30, 2015, respectively.

On October 30, 2013, options to purchase 95,000 shares of common stock at an exercise price of $3.25 per share were granted to key employees of the Company. The options were fully vested on the date of grant. The fair value of the options, as determined by using a Black-Scholes Option Pricing Model, was $237,492 and since the options were fully vested resulted in a $237,492 reduction to net income for the prior year quarter ended December 31, 2013.

9 LEGAL PROCEEDINGS

(a) Janel is occasionally subject to claims and lawsuits which typically arise in the normal course of business. While the outcome of these claims cannot be predicated with certainty, management does not believe that the outcome of any of these legal matters will have a material adverse effect on the Company's financial position or results of operations.

(b) The Company and/or its subsidiaries have been named as defendants in four separate lawsuits filed in New York and New Jersey state courts, each alleging non-payment of food product purchases by the Company's discontinued food segment subsidiary. The total claimed in all four lawsuits in the aggregate (exclusive of any interest and costs) is approximately $1,379,000. The Company is vigorously defending each of the lawsuits.

10 SUBSEQUENT EVENTS

Management has evaluated events occurring after the date of these financial statements through the date that these financial statements were issued. There have been no events that would require adjustment to or disclosure in the financial statements.

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

As used throughout this Report, "we," "our," "Janel", "the Company" and similar words refers to Janel Corporation.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains certain forward-looking statements reflecting our current expectations with respect to our operations, performance, financial condition, and other developments. These forward-looking statements may generally be identified by the use of the words "may", "will", "believes", "should", "expects", "anticipates", "estimates", and similar expressions. These statements are necessarily estimates reflecting management's best judgment based upon current information and involve a number of risks and uncertainties. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made, and readers are advised that various factors could affect our financial performance and could cause our actual results for future periods to differ materially from those anticipated or projected. While it is impossible to identify all such factors, such factors include, but are not limited to, those risks identified in our periodic reports filed with the Securities and Exchange Commission, including our most recent Annual Report on Form 10-K.

OVERVIEW

Janel is a non-asset based third party logistics services company, engaged in full-service cargo transportation logistics management, including freight forwarding – via air, ocean and land-based carriers, customs brokerage services, and warehousing and distribution services.

Our headquarters are in Lynbrook, New York and we operate through a network which includes six company-owned offices in the United States and independent international agents in approximately 52 countries around the world.

As a non-asset based third party logistics provider, we do not own any transportation assets and fulfill our transportation needs by purchasing transportation services from direct (asset-based) carriers and from other transportation providers who generally provide us with favorable rates with priority handling of our shipments. By consolidating multiple shipments from our customers we are able to negotiate favorable pricing from these transportation providers and can offer lower rates to our customers than they could obtain on their own. This non-asset based approach provides us with a variable cost structure and allows for a high level of operating flexibility. Our investment in assets is limited to the purchase of office, warehouse and computer equipment and the leasing of office and warehouse space for our company owned offices.

Historically, Janel's quarterly operating results have been subject to seasonal trends. The fiscal first and second quarters have traditionally been the weakest and the fiscal third and fourth quarters have traditionally been the strongest. This pattern has been the result of, or influenced by, numerous factors including climate, national holidays, consumer demand, economic conditions and other similar and subtle forces. This historical seasonality has also been influenced by the growth and diversification of Janel's international network and service offerings.

A significant portion of Janel's revenues are derived from customers in industries with shipping patterns closely tied to consumer demand and from customers with shipping patterns dependent upon just-in-time production schedules. Many of Janel's customers may ship a significant portion of their goods at or near the end of a quarter. Therefore, the timing of Janel's revenues are, to a large degree, affected by factors beyond the Company's control, such as shifting consumer demand for retail goods and manufacturing production delays. The Company cannot accurately forecast many of these factors, nor can it estimate the relative impact of any particular factor and, as a result, there is no assurance that historical patterns will continue in the future.

As described in the Company's SEC filings, on April 21, 2015 the Company's name was changed from "Janel World Trade, Ltd." to "Janel Corporation" and the Company effected a one-for-fifty reverse stock split (Refer to Note 8 to these Consolidated Financial Statements). All per share information in this Report reflects the reverse stock split.

RESULTS OF OPERATIONS

The following discussion and analysis addresses the results of operations for the three and nine months ended June 30, 2015, as compared to the results of operations for the three and nine months ended June 30, 2014. The discussion and analysis then addresses the liquidity and financial condition of the Company, and other matters.

On August 18, 2014 the Company completed the acquisition of Alpha International, LP. and PCL Transport, LLC. (collectively "Alpha"). Refer to Notes 3 and 4 to the Consolidated Financial Statements.

Three months ended June 30, 2015 and 2014

Revenue. Total revenue from continuing operations for the three months ended June 30, 2015 was $16,650,954, as compared to $11,121,377 for the three months ended June 30, 2014, an increase of $5,529,577 or 49.7%. This increase is mainly the result of the acquisition of Alpha. Net revenue (revenue minus forwarding expense) from continuing operations for the three months ended June 30, 2015 was $2,789,213, an increase of $1,270,514 or 83.7% as compared to net revenue of $1,518,699 for the three months ended June 30, 2014. This increase was due to increased freight forwarding business and is mainly the result of the acquisition of Alpha.

Forwarding Expense. Forwarding expense from continuing operations is primarily comprised of the fees paid by Janel directly to cargo carriers to handle and transport its actual freight shipments on behalf of its customers between initial and final terminal points, and includes any trucking and warehousing charges related to the shipments.

For the three months ended June 30, 2015, forwarding expense from continuing operations increased by $4,259,063, or 44.4%, to $13,861,741 as compared to $9,602,678 for the three months ended June 30, 2014, primarily as a result of higher revenues, and as a percentage of revenue decreased to 83.2% for fiscal 2015, from 86.3% for the three months ended June 30, 2014, a 3.1 percentage point decrease. This percentage decrease is principally the result of the acquisition of Alpha.

Selling, General and Administrative Expense. For the three months ended June 30, 2015 and 2014, selling, general and administrative expenses from continuing operations were $2,241,934 and $1,546,492, respectively, an increase of $695,442, or 45.0% when compared to the prior year. Included in the three months ended June 30, 2015 is an expense in the amount of $16,025 associated with the issuance of stock options (refer to Note 8(c) to the Consolidated Financial Statements) and $10,000 associated with stock based compensation (refer to Note 8(b) to the Consolidated Financial Statements). As a percentage of revenue, selling, general and administrative expenses were 13.5% and 13.9% of revenue for the three months ended June 30, 2015 and 2014, respectively, a 0.4 percentage point decrease which is primarily due to the acquisition of Alpha.

Depreciation and Amortization. For the three months ended June 30, 2015 and 2014, depreciation and amortization expenses from continuing operations were $80,434 and $4,239, respectively, an increase of $76,195 and is the result of $74,667 in amortization associated with intangible assets in connection with the Alpha acquisition (refer to Notes 3 and 4 to the Consolidated Financial Statements).

Interest Expense. For the three months ended June 30, 2015 and 2014, interest expense from continuing operations was $116,937 and $38,630, respectively, an increase of $78,307. This increase is primarily the result of higher interest costs under bank credit facilities during the three months ended June 30, 2015 versus 2014 due to additional borrowings under our bank line of credit which were used to fund the acquisition of Alpha. Included in interest expense for the three months ended June 30, 2015 is imputed interest amortization in the amount of $20,715 in connection with the Alpha acquisition (refer to Note 6 to the Consolidated Financial Statements).

Income (Loss) From Continuing Operations Before Income Taxes. For the reasons stated above, for the three months ended June 30, 2015 the Company recorded income from continuing operations before income taxes of $349,908 compared to a loss from continuing operations before income taxes of ($70,662) for the three months ended June 30, 2014.

Income Taxes. The Company recorded a net income tax provision of $17,773 and $4,000 for the three months ended June 30, 2015 and 2014, respectively. Both fiscal years reflect applicable state income taxes only as we have fully provided for a valuation allowance against the Company's deferred tax asset.

Loss From Discontinued Operations. On August 28, 2013 the Company sold its New Jersey freight forwarding and logistics operations and in June 2012 discontinued its food segment business. As a result, the New Jersey operations and some ongoing expenses associated with the food segment (principally legal fees) are included in discontinued operations. The three months ended June 30, 2015 and 2014 reflect a loss from discontinued operations of ($45,778) and ($25,322), respectively. Refer to Note 7 to the Consolidated Financial Statements.

Net Income (Loss). For the three months ended June 30, 2015 the Company recorded net income of $286,357 compared to a net loss of ($99,984) for the three months ended June 30, 2014. Following accruals for or payments of dividends on the Company's Preferred Stock, net income available to common shareholders for the three months ended June 30, 2015 was $226,044 or $0.38 per diluted share compared to a loss available to common shareholders for the three months ended June 30, 2014 of ($103,734) or ($0.18) per diluted share.

Nine months ended June 30, 2015 and 2014

Revenue. Total revenue from continuing operations for the nine months ended June 30, 2015 was $47,182,227, as compared to $32,847,671 for the nine months ended June 30, 2014, an increase of $14,334,556 or 43.6%. This increase is mainly the result of the acquisition of Alpha. Net revenue (revenue minus forwarding expense) from continuing operations for the nine months ended June 30, 2015 was $7,978,394, an increase of $3,382,334 or 73.6% as compared to net revenue of $4,596,060 for the nine months ended June 30, 2014. This increase was due to increased freight forwarding business and is mainly the result of the acquisition of Alpha.

Forwarding Expense. Forwarding expense from continuing operations is primarily comprised of the fees paid by Janel directly to cargo carriers to handle and transport its actual freight shipments on behalf of its customers between initial and final terminal points, and includes any trucking and warehousing charges related to the shipments.

For the nine months ended June 30, 2015, forwarding expense from continuing operations increased by $10,952,222, or 38.8%, to $39,203,833 as compared to $28,251,611 for the nine months ended June 30, 2014, primarily as a result of higher revenues, and as a percentage of revenue decreased to 83.1% for fiscal 2015, from 86.0% for the nine months ended June 30, 2014, a 2.9 percentage point decrease. This percentage decrease is principally the result of the acquisition of Alpha.

Selling, General and Administrative Expense. For the nine months ended June 30, 2015 and 2014, selling, general and administrative expenses from continuing operations were $7,020,382 and $4,842,334, respectively, an increase of $2,178,048, or 45.0% when compared to the prior year. Included in the nine months ended June 30, 2015 and 2014 is an expense in the amount of $46,200 and $237,492, respectively, associated with the issuance of stock options (refer to Note 8(c) to the Consolidated Financial Statements) and for the nine months ended June 30, 2015 an expense in the amount of $13,333 associated with stock based compensation (refer to Note 8(b) to the Consolidated Financial Statements). As a percentage of revenue, selling, general and administrative expenses were 14.9% and 14.7% of revenue for the nine months ended June 30, 2015 and 2014, respectively, a 0.2 percentage point increase which is primarily due to the acquisition of Alpha.

Depreciation and Amortization. For the nine months ended June 30, 2015 and 2014, depreciation and amortization expenses from continuing operations were $238,135 and $11,828, respectively, an increase of $226,307 and is the result of $224,000 in amortization associated with intangible assets in connection with the Alpha acquisition (refer to Notes 3 and 4 to the Consolidated Financial Statements).

Interest Expense. For the nine months ended June 30, 2015 and 2014, interest expense from continuing operations was $373,612 and $85,662, respectively, an increase of $287,950. This increase is primarily the result of higher interest costs under bank credit facilities during the nine months ended June 30, 2015 versus 2014 due to additional borrowings under our bank line of credit which were used to fund the acquisition of Alpha. Included in interest expense for the nine months ended June 30, 2015 is imputed interest amortization in the amount of $61,339 in connection with the Alpha acquisition (refer to Note 6 to the Consolidated Financial Statements).

Income (Loss) From Continuing Operations Before Income Taxes. For the reasons stated above, for the nine months ended June 30, 2015 the Company recorded income from continuing operations before income taxes of $346,265 compared to a loss from continuing operations before income taxes of ($343,764) for the nine months ended June 30, 2014.

Income Taxes. The Company recorded a net income tax provision of $25,773 and $9,000 for the nine months ended June 30, 2015 and 2014, respectively. Both fiscal years reflect applicable state income taxes only as we have fully provided for a valuation allowance against the Company's deferred tax asset.

Loss From Discontinued Operations. On August 28, 2013 the Company sold its New Jersey freight forwarding and logistics operations and in June 2012 discontinued its food segment business. As a result, the New Jersey operations and some ongoing expenses associated with the food segment (principally legal fees) are included in discontinued operations. The nine months ended June 30, 2015 and 2014 reflect a loss from discontinued operations of ($128,129) and ($50,252), respectively. Refer to Note 7 to the Consolidated Financial Statements.

Net Income (Loss). For the nine months ended June 30, 2015 the Company recorded net income of $192,363 compared to a net loss of ($403,016) for the nine months ended June 30, 2014. Following accruals for or payments of dividends on the Company's Preferred Stock, net income available to common shareholders for the nine months ended June 30, 2015 was $11,423 or $0.02 per diluted share compared to a loss available to common shareholders for the nine months ended June 30, 2014 of ($414,266) or ($0.73) per diluted share.

LIQUIDITY AND CAPITAL RESOURCES

General. Our ability to satisfy our liquidity requirements, which include satisfying our debt obligations and funding working capital, day-to-day operating expenses and capital expenditures depends upon our future performance, which is subject to general economic conditions, competition and other factors, some of which are beyond our control. We depend on our commercial credit facilities to fund our day-to-day operations as there is a timing difference between our collection cycles and the timing of our payments to vendors. Generally we do not have a need for significant capital expenditure as we are a non-asset based freight forwarder.

Janel's cash flow performance for the nine months ended June 30, 2015 is not necessarily indicative of future cash flow performance.

As of June 30, 2015, and compared with the prior fiscal year, the Company's cash and cash equivalents decreased by $341,040, or 51.3%, to $323,580 from $664,620, respectively. During the nine months ended June 30, 2015, Janel's net working capital (current assets minus current liabilities) increased by $275,843 to a negative ($3,097,045) at June 30, 2015, from a negative ($3,372,888) at September 30, 2014. This decrease is primarily due to a reduction of current assets which was partially offset by a reduction in current liabilities.

Cash flows from continuing operating activities. Net cash provided by continuing operating activities for the nine months ended June 30, 2015 was $901,540 and net cash used in continuing operating activities for the nine months ended June 30, 2014 was ($632,075), respectively. The change was principally driven by the net income for the current year compared to a net loss in the prior year, a decrease in payments of outstanding accounts payable, a decrease in payments for prepaid expenses and changes in non cash related items when compared to the prior year, which were partially offset by a decrease in the collection of accounts receivable when compared to the prior year.

Cash flows from discontinued operating activities. Net cash used in discontinued operating activities was ($128,129) for the nine months ended June 30, 2015 and net cash provided by discontinued operating activities was $182,216 for the nine months ended June 30, 2014.

Cash flows from investing activities. Net cash used in investing activities for the nine months ended June 30, 2015, primarily capital expenditures for property and equipment which was offset by the return of amounts in escrow in connection with the Alpha acquisition, was ($50,122). Net cash used in investing activities for the nine months ended June 30, 2014 was ($8,758).

Cash flows from financing activities. Net cash used in financing activities was ($1,064,329) for the nine months ended June 30, 2015 and for the nine months ended June 30, 2014 net cash provided by financing activities was $68,346. The cash used in financing activities for the nine months ended June 30, 2015 was primarily the result of the repayment of borrowings under our bank line of credit. The cash provided by financing activities for the nine months ended June 30, 2014 consisted primarily of the sale on October 30, 2013 of 153,847 shares of the Company's common stock for $500,000 (Refer to Note 8(b) to the Consolidated Financial Statements) which was offset by a net decrease of ($420,404) under our bank line of credit.

Presidential Financial Borrowing Facility. On March 27, 2014, the Company and its wholly-owned subsidiaries, The Janel Group Of New York, Inc., The Janel Group of Illinois, Inc., The Janel Group of Georgia, Inc., The Janel Group of Los Angeles, Inc., and Janel Ferrara Logistics, LLC (collectively, the "Janel Borrowers"), entered into a Loan and Security Agreement with Presidential Financial Corporation ("Presidential") with respect to a three year $3.5 million (limited to the borrowing base and reserves) revolving line of credit facility (the "Presidential Facility"). The Presidential Facility replaced The Janel Group of New York's previous line of credit agreement with Community National Bank ("CNB"). On September 10, 2014 after completion of the Alpha acquisition, the Janel Borrowers and Alpha entered into a First Amendment to the Presidential Facility ("Loan Amendment"), with Presidential, which Loan Amendment among other things, (1) added Alpha as co-borrowers, (2) increased the line of credit available to the Janel Borrowers (including Alpha) from $3.5 million to $5.0 million and (3) increased the advance rate from 70% to 85%. On September 25, 2014 there was a Second Amendment and the Presidential Facility was temporarily increased to $5.5 million and on October 9, 2014, subsequent to the period covered by this report, there was a Third Amendment whereby the Presidential Facility was increased to $7.0 million. The Janel Borrowers can now borrow up to $7.0 million limited to 85% of the Janel Borrowers' aggregate outstanding eligible accounts receivable, subject to adjustment as set forth in the Loan and Security Agreement. Interest will accrue at an annual rate equal to five percent above the greater of (a) the prime rate of interest quoted in The Wall Street Journal from time to time, or (b) 3.25%. The Janel Borrowers' obligations under the Presidential facility are secured by all of the assets of the Janel Borrowers. The Presidential Facility will expire on March 26, 2017 (subject to earlier termination as provided in the Loan and Security Agreement) unless renewed. On March 31, 2014, $1,282,673 of the Presidential Facility was used to pay off the outstanding balances under the line of credit facility with CNB. On September 10, 2014, $1,800,000 of the Presidential Facility was used to acquire Alpha. As of June 30, 2015, there were outstanding borrowings of $2,950,306 under the Presidential Facility (which represented 51.4% of the amount available thereunder) out of a total amount available for borrowing under the Presidential Facility of approximately $5,739,022.

Working Capital Requirements. The Company's cash needs are currently met by the Presidential Facility and cash on hand. As of June 30, 2015, the Company had $2,788,716 available under its $7.0 million Presidential Facility and $323,580 in cash from operations and cash on hand. On October 9, 2014, the Presidential Facility was increased to $7.0 million. On September 10, 2014 the Company sold 5,000 shares of the Company's Series C Cumulative Preferred Stock for $2,500,000 (Refer to Note 8(a) to the Consolidated Financial Statements) and used the proceeds to acquire Alpha. On September 24, 2014 the Company sold 500 shares of the Company's Series C Cumulative Preferred Stock for $250,000 (Refer to Note 8(a) to the Consolidated Financial Statements) and used the proceeds for general working capital purposes. On October 30, 2013, the Company raised $500,000 (Refer to Note 8(b) to the Consolidated Financial Statements) from the sale of newly issued shares of the Company's Common Stock at a price of $3.125 per share and used the proceeds for general working capital purposes. The Company also issued five-year warrants to the investor for up to an additional $1,000,000 investment upon exercise for additional newly issued shares of the Company's common stock at a price of $4.00. We believe that our current financial resources will be sufficient to finance our operations and obligations (current and long-term liabilities) for the long and short terms. However, our actual working capital needs for the long and short terms will depend upon numerous factors, including our operating results, the cost associated with growing the Company either internally or through acquisition, competition, and the availability under our revolving credit facility, none of which can be predicted with certainty. If our cash flow and available credit are not sufficient to fund our working capital, the Company's operations will be materially negatively impacted.

CURRENT OUTLOOK

Our results of operations are affected by the general economic cycle, particularly as it influences global trade levels and specifically the import and export activities of Janel's various current and prospective customers. Historically, the Company's quarterly results of operations have been subject to seasonal trends which have been the result of, or influenced by, numerous factors including climate, national holidays, consumer demand, economic conditions, the growth and diversification of its international network and service offerings, and other similar and subtle forces. We cannot accurately forecast many of these factors nor can we estimate accurately the relative influence of any particular factor and, as a result, there can be no assurance that historical patterns, if any, will continue in future periods.

Janel is progressing with the implementation of its business plan and strategy to grow its revenue and profitability for fiscal 2015 and beyond through several avenues. The Company's strategy for further growth includes plans to: open, as warranted, additional branch offices domestically and/or outside the continental United States; introduce additional revenue streams for its existing headquarters and branch locations; expand its existing sales force by hiring additional commission-only sales representatives with established customer bases; increase its focus on growing revenue related to export activities; seek out and pursue privately held transportation-related firms which may ultimately lead to their acquisition by the Company; and continue its focus on containing current and prospective overhead and operating expenses, particularly with regard to the efficient integration of any additional offices or acquisitions.

Certain elements of our profitability and growth strategy, principally proposals for acquisition and accelerating our revenue growth are contingent upon the availability of adequate financing on terms acceptable to the Company. On October 30, 2013, the Company raised $500,000 (Refer to Note 8(b) to the Consolidated Financial Statements) from the sale of newly issued shares of the Company's Common Stock at a price of $3.125 per share and used the proceeds for general working capital purposes. The Company also issued five-year warrants to the investor for up to an additional $1,000,000 investment upon exercise for additional newly issued shares of the company's common stock at a price of $4.00. On September 10, 2014 the Company sold 5,000 shares of the Company's Series C Cumulative Preferred Stock for $2,500,000 (Refer to Note 8(a) to the Consolidated Financial Statements) and used the proceeds to acquire Alpha. On September 24, 2014 the Company sold 500 shares of the Company's Series C Cumulative Preferred Stock for $250,000 (Refer to Note 8(a) to the Consolidated Financial Statements) and used the proceeds for general working capital purposes. Without adequate equity and/or debt financing, the implementation of significant aspects of the Company's strategic growth plan may be deferred beyond the originally anticipated timing, and the Company's operations will be materially negatively impacted.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Since future events and their effects cannot be determined with absolute certainty, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and such difference may be material to the financial statements. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources, primarily allowance for doubtful accounts, accruals for transportation and other direct costs, accruals for cargo insurance, and deferred income taxes. Management bases its estimates on historical experience and on various assumptions which are believed to be reasonable under the circumstances. We reevaluate these significant factors as facts and circumstances change. Historically, actual results have not differed significantly from our estimates. These accounting policies are more fully described in Note 1 of the Notes to the Consolidated Financial Statements.

Management believes that the nature of the Company's business is such that there are few, if any, complex challenges in accounting for operations. Revenue recognition is considered the critical accounting policy due to the complexity of arranging and managing global logistics and supply-chain management transactions.

Revenue Recognition

A. Full-Service Cargo Transportation Logistics Management

Revenues are derived from airfreight, ocean freight and custom brokerage services. The Company is a non-asset-based carrier and accordingly does not own transportation assets. The Company generates the major portion of its air and ocean freight revenues by purchasing transportation services from direct carriers (airlines, steam ship lines, etc.) and reselling those services to its customers. By consolidating shipments from multiple customers and availing itself of its buying power, the Company is able to negotiate favorable rates from the direct carriers, while offering to its customers lower rates than the customers could obtain themselves.

Airfreight revenues include the charges for carrying the shipments when the Company acts as a freight consolidator. Ocean freight revenues include the charges for carrying the shipments when the Company acts as a Non-Vessel Operating Common Carrier (NVOCC). In each case, the Company is acting as an indirect carrier. When acting as an indirect carrier, the Company will issue a House Airway Bill (HAWB) or a House Ocean Bill of Lading (HOBL) to customers as the contract of carriage. In turn, when the freight is physically tendered to a direct carrier, the Company receives a contract of carriage known as a Master Airway Bill for airfreight shipments and a Master Ocean Bill of Lading for ocean shipments. At this point the risk of loss passes to the carrier, however, in order to claim for any such loss, the customer is first obligated to pay the freight charges.

Based upon the terms in the contract of carriage, revenues related to shipments where the Company issues a HAWB or a HOBL are recognized at the time the freight is tendered to the direct carrier. Costs related to the shipments are recognized at the same time.

Revenues realized when the Company acts as an agent for the shipper and does not issue a HAWB or a HOBL include only the commission and fees earned for the services performed. These revenues are recognized upon completion of the services.

Customs brokerage and other services involves provide multiple services at destination including clearing shipments through customs by preparing required documentation, calculating and providing for payment of duties and other charges on behalf of the customers, arranging for any required inspections, and arranging for final delivery. These revenues are recognized upon completion of the services. Effective with the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2013, the Company changed its accounting principle and no longer includes customs duty as a component of revenue.

The movement of freight may require multiple services. In most instances the Company may perform multiple services including destination break bulk and value added services such as local transportation, distribution services and logistics management. Each of these services has separate fee that is recognized as revenue upon completion of the service.

Customers will frequently request an all-inclusive rate for a set of services that is known in the industry as "door-to-door services." In these cases, the customer is billed a single rate for all services from pickup at origin to delivery. The allocation of revenue and expense among the components of services when provided under an all inclusive rate are done in an objective manner on a fair value basis in accordance with Emerging Issues Task Force (EITF) 00-21, "Revenue Arrangements with Multiple Deliverables."

Estimates

While judgments and estimates are a necessary component of any system of accounting, the Company's use of estimates is limited primarily to the following areas that in the aggregate are not a major component of the Company's consolidated statements of comprehensive loss:

a. accounts receivable valuation;
b. the useful lives of long-term assets;

c. the accrual of costs related to ancillary services the Company provides;
d. accrual of tax expense on an interim basis; and
e. deferred tax valuation allowance.

Management believes that the methods utilized in all of these areas are non-aggressive in approach and consistent in application. Management believes that there are limited, if any, alternative accounting principles or methods which could be applied to the Company's transactions. While the use of estimates means that actual future results may be different from those contemplated by the estimates, the Company believes that alternative principles and methods used for making such estimates would not produce materially different results than those reported.

ITEM 4. CONTROLS AND PROCEDURES

We maintain a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed by us in the reports that we file or submit under the Securities and Exchange Act of 1934, as amended ("Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and is accumulated and communicated to management in a timely manner. Our Chief Executive Officer and Chief Financial Officer have evaluated this system of disclosure controls and procedures as of the end of the period covered by this quarterly report, and have concluded that the system is effective. There have been no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On June 22, 2012 (amended September 5, 2012), Fratelli Masturzo S.R.L., Clematis, S.R.L., Fratelli Longobardi S.R.L. and Pancrazio S.P.A. filed a law suit in the Supreme Court of the State of New York County of Queens against The Janel Group of New York, Inc., Ferrara International Logistics, Inc., Tutto Italia USA, LLC and Paul Sorvino Foods, Inc. (Case No. 018503/2012). The complaint alleges the non-payment of food product purchases totaling $186,728. On February 26, 2013, the Company filed an answer on behalf of The Janel Group of New York, Inc. and Ferrara International Logistics, Inc. denying the allegations. On June 27, 2013, the court denied the plaintiffs' motion for default judgement. On March 11, 2015, the court dismissed the action because of the plaintiffs' failure to prosecute. On April 29, 2015, the court denied the plaintiffs' motion for additional time to conduct discovery because the case had already been dismissed. On July 11, 2015, the plaintiff filed a motion to restore the action and extend discovery. On July 21, 2015, the Company filed an affirmation in opposition of plaintiffs' motion.

On January 29, 2013, UGO Foods Corporation filed a law suit in the Supreme Court of the State of New York County of New York against Janel World Trade, Ltd., The Janel Group of New York, Inc., Mann Global Enterprises, LLC as Successor of Janel Ferrara Logistics, LLC. (Case No. 700302/2013). The complaint alleged the non-payment of food product purchases totaling $41,281. On February 27, 2013, the Company filed an answer on behalf of The Janel Group of New York, Inc. denying the allegations. On July 24, 2015, this litigation was settled for payments by Janel totaling $20,640.

Janel is occasionally subject to claims and lawsuits which typically arise in the normal course of business. While the outcome of these claims cannot be predicated with certainty, management does not believe that the outcome of any of these legal matters will have a material adverse effect on the Company's financial position or results of operations.

ITEM 6. EXHIBITS

Exhibit No.	
3.1	Amended and Restated Articles of Incorporation of Janel World Trade, Ltd. (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2012, File No. 333-60608)
3.2	Restated and Amended By-Laws of Janel World Trade, Ltd. (incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended September 30, 2010, File No. 333-60608)
3.3	Certificate of Designation of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed January 17, 2007 File No. 333-60608)
3.4	Certificate of Designations of Series B Convertible Stock (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed October 22, 2007, File No. 333-60608)
3.5	Certificate of Change filed Pursuant to NRS 78.209 for Registrant (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed April 21, 2015, File No. 333-60608)
3.6	Certificate of Amendment to Articles of Incorporation of the Registrant (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed April 21, 2015, File No. 333-60608)
10.1	Janel World Trade, Ltd. 2013 Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed November 1, 2013, File No. 333-60608)
10.2	Loan and Security Agreement dated March 27, 2014 between Janel World Trade, Ltd. and its subsidiaries, and Presidential Financial Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 2, 2014, File No. 333-60608)
10.3	Demand Secured Promissory Note dated March 27, 2014 made by Janel World Trade, Ltd. and its subsidiaries, payable to the order of Presidential Financial Corporation (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed April 2, 2014, File No. 333-60608)
10.4	Agreement of Lease dated January 2, 2015 between 303 Merrick LLC and The Janel Group of New York, Inc. (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2014, File No. 333-60608)
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer*
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer*
32.1	Section 1350 Certifications*
99.1	Press release dated August 7, 2015*
101	Interactive data files providing financial information from the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 in XBRL (eXtensible Business Reporting Language) pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets, June 30, 2015 and September 30, 2014, (ii) Consolidated Statements of Income for the three and nine months ended June 30, 2015 and 2014, (iii) Consolidated Statements of Cash Flows for the nine months ended June 30, 2015 and 2014, and (v) Notes to Unaudited Consolidated Financial Statements*

* Filed herewith

SIGNATURES

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

Dated: August 7, 2015

JANEL CORPORATION
Registrant

/s/ Brendan Killackey
Chief Executive Officer (Principal Executive Officer)

/s/ Philip J. Dubato
Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Brendan Killackey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Janel Corporation;

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

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

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

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

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

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

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

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

(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 7, 2015

/s/ Brendan Killackey
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Philip J. Dubato, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Janel Corporation;

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

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

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

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

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

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

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

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

(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 7, 2015

/s/ Philip J. Dubato
Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. §1350

In connection with the report on Form 10-Q of Janel Corporation for the quarter ended June 30, 2015, as filed with the SEC on the date hereof (the "Report"), each of the undersigned officers of the registrant certifies pursuant to 18 U.S.C. Section 1350 that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Dated: August 7, 2015

/s/ Brendan Killackey
Brendan Killackey
Chief Executive Officer (Principal Executive Officer)

/s/ Philip J. Dubato
Philip J. Dubato
Chief Financial Officer (Principal Financial Officer)

Exhibit 99.1

For Immediate Release

Contact: Investor Relations at
Janel Corporation
(718) 527-3800
IR@janelgroup.net

JANEL CORPORATION REPORTS FISCAL THIRD QUARTER AND YEAR-TO-DATE 2015 RESULTS

LYNBROOK, NY – August 7, 2015 -- Janel Corporation (OTCQB: JANL), a full-service global provider of integrated transportation logistics, announced today the financial results for its third quarter ended June 30, 2015.

Advisory Note

All current and prior year share and per share amounts have been adjusted to reflect the one-for-fifty reverse stock split effected on April 21, 2015.

Third Quarter 2015 Results

For the three months ended June 30, 2015, Janel reported revenue of $16,650,954 an increase of $5,529,577 or 49.7% compared to the three months ended June 30, 2014.

For the three months ended June 30, 2015 the Company reported income from continuing operations before income taxes of $349,908 compared to the prior year reported loss from continuing operations before income taxes of ($70,662).

For the three months ended June 30, 2015 and after losses from discontinued operations the Company reported net income of $286,357 compared to the prior year reported net loss of $(99,984). Included in these results are losses associated with discontinued operations of $(45,778) and ($25,322) for the three months ended June 30, 2015 and 2014, respectively. Net income available to common shareholders (following preferred stock dividends) was $226,044 or $0.38 per fully diluted share for the three months ended June 30, 2015 compared to a net loss available to common shareholders of ($103,734) or ($0.18) per fully diluted share for the three months ended June 30, 2014.

Year-to-date 2015 Results

For the nine months ended June 30, 2015, Janel reported revenue of $47,182,227 an increase of $14,334,556 or 43.6% compared to the nine months ended June 30, 2014.

For the nine months ended June 30, 2015 the Company reported income from continuing operations before income taxes of $346,265 compared to the prior year reported loss from continuing operations before income taxes of ($343,764).

For the nine months ended June 30, 2015 and after losses from discontinued operations the Company reported net income of $192,363 compared to the prior year reported net loss of $(403,016). Included in these results are losses associated with discontinued operations of $(128,129) and ($50,252) for the nine months ended June 30, 2015 and 2014, respectively. Also included in the 2014 period results was a one-time non-cash charge of $237,492 for the issuance of stock options. Net income available to common shareholders (following preferred stock dividends) was $11,423 or $0.02 per fully diluted share for the nine months ended June 30, 2015 compared to a net loss available to common shareholders of ($414,266) or ($0.73) per fully diluted share for the nine months ended June 30, 2014.

To be included in Janel's database for Corporate Press Releases and industry updates, investors are invited to send their e-mail address to: **IR@janelgroup.net**.

About Janel Corporation

Janel Corporation is a global provider of integrated logistics; including domestic and international freight forwarding via multi-modal carriers, leading-edge, end-to-end, supply-chain technology, customs brokerage, warehousing and distribution, and other transportation-related services. With offices throughout the U.S. (New York, New Jersey, Chicago, Los Angeles, Atlanta and Philadelphia) and a network of independent international agents in approximately 52 countries, the Company provides the comprehensive logistics services and technology necessary to handle its customers' shipping needs throughout the world. Cargo can be transported via air, sea or land, and Janel's national network of locations can manage the shipment and/or receipt of cargo into or out of any location in the United States. Janel is registered as an Ocean Transportation Intermediary and licensed as a FMC Licensed Freight Forwarder by the Federal Maritime Commission. Janel Corporation's headquarters is located in Lynbrook, New York and its common stock is listed on the OTCQB Bulletin Board under the symbol "JANL". Additional information on the Company is available on its website at http://www.janelgroup.net

Forward-Looking Statements

This press release includes statements that may constitute "forward-looking" statements, usually containing the words "believe," "estimate," "project," "intend," "expect" or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, the Company's dependence upon conditions in the air, ocean and land-based freight forwarding industry, the size and resources of many competitors, the need for the Company to effectively integrate acquired businesses and to successfully deliver its primary services, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission, including its most recent Form 8-K, Form 10-Q and Form 10-K filings. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

Contact:
Investor Relations
Janel Corporation
(718) 527-3800
IR@janelgroup.net

JANEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	THREE MONTHS ENDED June 30,		NINE MONTHS ENDED June 30,	
	2015 (unaudited)	2014 (unaudited)	2015 (unaudited)	2014 (unaudited)
REVENUES	$ 16,650,954	$ 11,121,377	$ 47,182,227	$ 32,847,671
COST AND EXPENSES:				
Forwarding expenses	13,861,741	9,602,678	39,203,833	28,251,611
Selling, general and administrative	2,241,934	1,546,492	7,020,382	4,842,334
Depreciation and amortization	80,434	4,239	238,135	11,828
TOTAL COSTS AND EXPENSES	16,184,109	11,153,409	46,462,350	33,105,773
OPERATING INCOME (LOSS)	466,845	(32,032)	719,877	(258,102)
OTHER ITEMS:				
Interest expense, net of interest and dividend income	(116,937)	(38,630)	(373,612)	(85,662)
TOTAL OTHER ITEMS	(116,937)	(38,630)	(373,612)	(85,662)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	349,908	(70,662)	346,265	(343,764)
Income taxes	17,773	4,000	25,773	9,000
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 332,135	$ (74,662)	$ 320,492	$ (352,764)
Loss from discontinued operations	(45,778)	(25,322)	(128,129)	(50,252)
NET INCOME (LOSS)	$ 286,357	$ (99,984)	$ 192,363	$ (403,016)
Preferred stock dividends	60,313	3,750	180,940	11,250
NET INCOME (LOSS) AVAILABLE TO COMMON STOCKHOLDERS	$ 226,044	$ (103,734)	$ 11,423	$ (414,266)
(Loss) per share from continuing operations:				
Basic	$ 0.59	$ (0.14)	$ 0.58	$ (0.66)
Diluted	$ 0.56	$ (0.13)	$ 0.54	$ (0.62)
(Loss) per share from discontinued operations:				
Basic	$ (0.08)	$ (0.05)	$ (0.23)	$ (0.09)
Diluted	$ (0.08)	$ (0.04)	$ (0.22)	$ (0.09)
Net (loss) per share available to common shareholders:				
Basic	$ 0.40	$ (0.19)	$ 0.02	$ (0.77)
Diluted	$ 0.38	$ (0.18)	$ 0.02	$ (0.73)
Basic weighted average number of shares outstanding	556,919	554,204	556,779	537,298
Fully diluted weighted average number of shares outstanding	592,624	586,909	589,484	570,003

See notes to these consolidated financial statements included in the Company's Form 10-Q

JANEL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2015 (unaudited)	September 30, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 323,580	$ 664,620
Accounts receivable, net of allowance for doubtful accounts of $168,629 at June 30, 2015 and $157,999 at September 30, 2014	9,870,703	8,563,522
Prepaid expenses and sundry current assets	162,060	221,398
TOTAL CURRENT ASSETS	**10,356,343**	**9,449,540**
PROPERTY AND EQUIPMENT, NET	**73,468**	**16,650**
OTHER ASSETS:		
Intangible assets, net	6,926,795	7,171,625
Security deposits	99,658	76,720
TOTAL OTHER ASSETS	**7,026,453**	**7,248,345**
TOTAL ASSETS	**$ 17,456,264**	**$ 16,714,535**
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Note payable - bank	$ 2,950,306	$ 4,003,385
Accounts payable - trade	9,417,308	8,037,086
Accrued expenses and other current liabilities	597,179	314,889
Current portion of long-term debt - related party, net of imputed interest of $11,405 and $32,932, respectively	488,595	467,068
TOTAL CURRENT LIABILITIES	**13,453,388**	**12,822,428**
LONG-TERM DEBT - related party, net of imputed interest of imputed interest of $94,783 and $134,596, respectively	905,217	865,404
DEFERRED COMPENSATION	78,568	78,568
TOTAL OTHER LIABILITIES	**983,785**	**943,972**
STOCKHOLDERS' EQUITY (DEFICIENCY):		
Preferred Stock, $0.001 par value; 100,000 shares authorized:		
Series A; 20,000 shares authorized; 20,000 and 20,000 shares issued and outstanding, respectively	20	20
Series B; 5,700 shares authorized; 1,271 and 1,271 shares issued and outstanding, respectively	2	2
Series C; 7,000 shares authorized; 5,500 shares issued and 5,500 shares issued and outstanding, respectively	6	6
Common Stock, $0.001 par value; 4,500,000 shares authorized; 559,926 and 554,211 shares issued and outstanding, respectively	560	554
Paid-in Capital	8,367,488	8,307,961
Accumulated deficit	(5,348,985)	(5,360,408)
STOCKHOLDERS' EQUITY	**3,019,091**	**2,948,135**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 17,456,264**	**$ 16,714,535**

See notes to these consolidated financial statements included in the Company's Form 10-Q