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

(Mark One) FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended April 30, 2010.

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ___ to ___.

Commission file number: 1-8266

DATARAM CORPORATION
(Exact name of registrant as specified in its charter)

New Jersey	22-1831409
(State of Incorporation)	(I.R.S. Employer Identification No.)

P.O. Box 7528, Princeton, New Jersey	08543-7528
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock, $1.00 Par Value	NASDAQ Stock Market

Securities registered pursuant to section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes [ ] No [X]

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 [X] No [ ]

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.
Yes [ ]   No [X]

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 definition of "accelerated filer and large accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ]
Smaller reporting company [X]

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

The aggregate market value of the Common Stock held by non-affiliates of the registrant calculated on the basis of the closing price as of the last business day of the registrant's most recently completed second quarter, October 31, 2009, was $23,858,105.

The number of shares of Common Stock outstanding on July 26, 2010 was 8,918,309 shares.

DOCUMENTS INCORPORATED BY REFERENCE:

(1) Definitive Proxy Statement for Annual Meeting of Shareholders to be held on September 23, 2010 (the "Definitive Proxy Statement") to be filed within 120 days of the end of the fiscal year.

(2) 2010 Annual Report to Security Holders

DATARAM CORPORATION
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PART I

Item 1. BUSINESS

(a) General development of business.

Dataram Corporation (the "Company") is a developer, manufacturer and marketer of large capacity memory products primarily used in high performance network servers and workstations. The Company provides customized memory solutions for original equipment manufacturers ("OEMs") and compatible memory for computers manufactured by Hewlett-Packard Company ("HP"), Sun Microsystems, Inc. ("Sun"), International Business Machines Corporation ("IBM") and Dell Corporation ("Dell"). The Company also manufactures a line of memory products for Intel and AMD motherboard based servers for sale to OEMs and channel assemblers. The Company’s memory products are sold worldwide to OEMs, distributors, value-added resellers and end-users. The Company has two manufacturing facilities in the United States with sales offices in the United States, Europe and Japan.

The Company is an independent memory manufacturer specializing in high capacity memory and competes with several other large independent memory manufacturers as well as the OEMs mentioned above. The primary raw material used in producing memory boards is dynamic random access memory chips (“DRAMs”). The purchase cost of DRAMs is the largest single component of the total cost of a finished memory board. Consequently, average selling prices for computer memory boards are significantly dependent on the pricing and availability of DRAMs.

On March 31, 2009, the Company acquired certain assets of Micro Memory Bank, Inc. (“MMB”), a privately held corporation. MMB is a manufacturer of legacy to advanced solutions in laptop, desktop and server memory products. The acquisition expands the Company’s memory product offerings and routes to market. The Company’s Micro Memory Bank business unit designs and manufactures memory from the Company's leased facility in Montgomeryville, Pennsylvania. Its products include memory upgrades for IBM, Sun, HP and Compaq computer systems. MMB also markets and sells new and refurbished factory original memory upgrades manufactured by IBM, Sun, HP and Compaq as well as factory original modules manufactured by Micron, Hynix, Samsung, Elpida and Nanya, and purchases excess memory inventory from other parties as well.

Revenues for fiscal 2010 were $44.0 million compared to $25.9 million in fiscal 2009. The recently acquired MMB business unit generated revenues of approximately $14.0 million in fiscal 2010 and $0.9 million in fiscal 2009. Exclusive of the effect of the acquired MMB business unit’s revenues, the Company’s revenues increased by approximately 20% in fiscal 2010 versus fiscal 2009. This was primarily the result of the Company’s implementation of its revamped sales and marketing strategy having a positive effect on demand for its products, coupled with an increase in overall demand for IT infrastructure as the economy recovers from last year’s financial crises.

Cost of sales was $32.4 million in fiscal 2010 or 73.6 percent of revenues compared to $17.4 million or 67.4 percent of revenues in fiscal 2009. Current fiscal year’s cost of sales as a percent of revenue is considered by management to be within the Company’s normal range. The prior fiscal year percentages are considered by management to be unusually low and were the result of a product mix skewed more heavily toward higher margin legacy products as sales of lower margin mainstream products were negatively impacted by the world financial crises. Fluctuations in cost of sales as a percentage of revenues are not unusual and can result from many factors, including rapid changes in the price of DRAMs, or changes in product mix possibly resulting from a large order or series of orders for a particular product or a change in customer mix.

The Company was incorporated in New Jersey in 1967 and made its initial public offering in 1968. Its common stock, $1 par value (the "Common Stock") was listed for trading on the American Stock Exchange in 1981. In 2000 the Company changed its listing to the NASDAQ National Market (now the NASDAQ Stock Market) where its stock trades under the symbol "DRAM." The Company's principal executive office is located at 186 Princeton Road (Route 571), West Windsor, New Jersey 08550, its telephone number is (609) 799-0071, its fax is (609) 799-6734 and its website is located at http://www.dataram.com. Proxy Statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and all amendments thereto, are available on this website free of charge.

(b) Financial information about segments.

The Company operates in one industry segment.

(c) Narrative description of business.

Industry Background

The market for the Company's memory products is principally the buyers and owners of workstations and network servers and the OEMs that manufacture workstations, servers and other products that use embedded computers. These systems have been important to the growth of the Internet.

A workstation, like a PC, is designed to provide computer resources to individual users. A workstation differs from a PC by providing substantially greater computational performance, input/output capability and graphic display. Workstations are nearly always networked. As a result of this networking capability of both workstations and PCs, the network server has grown in importance.

Network servers are computer systems on a network which provide dedicated functions accessible by all workstations and other systems on the same network. Examples of different types of servers in use today are: file servers, communication servers, computation servers, database servers, print servers and storage servers.

The Company designs, produces and markets memory products for workstations and computer servers sold by Sun, HP, IBM, SGI and Dell. Additionally, the Company produces and markets memory for Intel and AMD processor based motherboards for use by OEMs and channel assemblers.

The "open system" philosophy espoused by most of the general computer industry has played a part in enlarging the market for third party vendors. Under the "open system" philosophy, manufacturers adhere to industry design standards, enabling users to "mix and match" hardware and software products from a variety of vendors so that a system can be configured for the user's application in the most economical manner with reduced concern for compatibility and support. Memory products for workstations and servers have become commodities with substantial competition from OEMs and a number of independent memory manufacture suppliers.

Generally, growth in the memory market closely follows both the growth in unit shipments of system vendors and the growth of memory requirements per system.

Management also estimates that in the compatibles market, sales by system vendors constitute 80% of the memory market. To successfully compete with system vendors, the Company must continue to respond to customers' needs in a short time frame. To support customers' needs, the Company has a dedicated and highly automated manufacturing facility that is designed to produce and ship customer orders within twenty-four hours or less.

The OEM market is also an important part of the Company's business. Management believes that increasingly cost conscious OEMs are looking to independent memory suppliers such as the Company for the low-cost supply of memory modules.

Products

The Company's principal business is the development, manufacture and marketing of memory modules which can be added to various enterprise servers and workstations to upgrade or expand the capabilities of such systems. When vendors produce computer systems adhering to open system industry standards, the development effort for the Company and other independent memory manufacturers is straightforward and allows for the use of many standard components.

The Company is also continuing to develop its XcelaSAN® product line. XcelaSAN is a unique intelligent Storage Area Network (SAN) optimization solution designed to deliver substantive application performance improvement to applications such as Oracle, SQL and VMware. XcelaSAN augments existing storage systems by transparently applying intelligent caching algorithms that serve the most active block-level data from high-speed storage, creating an intelligent, virtual solid state SAN, allowing organizations to dramatically increase the performance of their business-critical applications without the costly hardware upgrades or over-provisioning of storage typically found in current solutions for increased performance. The Company has made and is continuing to make significant investments in research and development in XcelaSAN. The Company plans to release the product for sale in the first half of its fiscal 2011. The Company plans to invest in ongoing development of the product for future releases.

Distribution

The Company sells its memory products to OEM's, distributors, value-added resellers and larger end-users. The Company has sales and/or marketing support offices in New Jersey, Denmark, the United Kingdom, Germany and Japan.

Product Warranty and Service

Management believes that the Company's reputation for the reliability of its memory products and the confidence of prospective purchasers in the Company's ability to provide service over the life of the product are important factors in making sales. As a consequence, the Company adopted many years ago a Lifetime Warranty program for its memory products. The economic useful life of the computer systems to which the Company's memory modules are attached is almost always substantially less than the physical useful life of the Company's memory products. Thus, memory products are unlikely to "wear out." The Company's experience is that less than 1% of all the products it sells are returned under the Lifetime Warranty.

Working Capital Requirements

On February 24, 2010, the Company entered into a Note and Security Agreement ("Agreement") with an employee who is also an executive officer of the Company. Under the Agreement, the Company borrowed the principal sum of $1,000,000 for a period of six months, which the Company can extend for an additional three months without penalty. The loan bears interest at the rate of 5.25%. Interest is payable monthly, and the entire principal amount is payable in the event of the employee's termination of employment by the Company. The loan is collateralized by a security interest in all machinery, equipment and inventory of Dataram at its Montgomeryville, PA location. In July 2010, the Company repaid the loan in full. Also, on July 27, 2010, the Company entered into an agreement with a financial institution for secured debt financing of up to $5.0 million. We have also entered into an agreement with a vendor, which is wholly owned by the employee and executive officer referred to above, to consign up $3.0 million of certain inventory into our manufacturing facilities. This will allow us to substantially reduce our inventory carrying requirements while still maintaining our ability to service our customers. Management believes that the Company's cash flows generated from operations together with cash generated through these agreements will be sufficient to meet the Company's short-term liquidity needs. In order to satisfy long-term liquidity needs, the Company will need to generate profitable operations and positive cash flows.

The memory product business is heavily dependent upon the price of DRAMs. Producers of DRAM are required to invest substantial capital resources to produce their end product. Their marginal cost is low as a percentage of the total cost of the product. As a result, the world-wide market for DRAMs has swung in the past from period to period from oversupply to shortage. During periods of substantial oversupply, the Company has seen falling prices for DRAMs and wide availability of DRAMs allowing the Company to have minimum inventories to meet the needs of customers. During periods of shortage, DRAMs are allocated to customers and the Company must invest heavily in inventory in order to continue to be assured of the supply of DRAMs from vendors. At the present time, the market for DRAMs is balanced, but with spot shortages of certain DRAM configurations.

Memory Product Complexity

DRAM memory products for workstations and enterprise servers have, for many years, been undergoing a process of simplification with a corresponding decline in profit margins for current generation memory products as competitors' entry into the market becomes easier. Memory products for prior generations of workstations and servers are sold with higher margins as few competitors continue to supply memory for those computers.

Engineering

The Company's ability to compete successfully depends upon its ability to identify new memory needs of its customers. To achieve this goal, the Company's engineering group continually monitors computer system vendors' new product developments, and the Company evaluates and tests major components as they become available. The Company designs prototype memory modules and subjects them to reliability testing procedures. During its fiscal year ended April 30, 2010, the Company incurred costs of $998,000 for engineering, $1,219,000 in fiscal 2009 and $1,267,000 in fiscal 2008.

Research and Development

Research and development expense in fiscal 2010 were $4,265,000, versus $1,531,000 in fiscal 2009 and nil in fiscal 2008. In the current fiscal year, the Company has implemented a strategy to introduce new and complementary products into its offerings portfolio. The Company is currently focusing on the development of its XcelaSAN product.

Raw Materials

The Company purchases standard DRAMs. The Company also purchases finished modules from the DRAM manufacturers. In either case, the cost of DRAM chips is the largest single component of the total cost of memory products. Fluctuations in the availability or prices of DRAMs can have a significant impact on the Company's profit.

The Company has created close relationships with a number of primary suppliers while qualifying and developing alternate sources as a back up. The qualification program consists of extensive evaluation of process capabilities, on-time delivery performance and financial stability of each supplier. Alternative sources are qualified to normally assure supply in the event of a problem with the primary source or to handle surges in demand.

Manufacturing

The Company assembles its memory boards at its two manufacturing facilities in Pennsylvania.

Backlog

The Company expects that all backlog on hand will be filled during the current fiscal year and most in a matter of days. The Company's backlog at April 30, 2010 was $1,185,000, at April 30, 2009 it was $936,000 and at April 30, 2008 it was $255,000.

Seasonality

The Company's business can be seasonal with December and January being the slowest months.

Competition

The intensely competitive computer industry is characterized by rapid technological change and constant pricing pressures. These characteristics are equally applicable to the third party memory market, where pricing is a major consideration in the buying decision. The Company competes with HP, Sun, IBM, and Dell, as well as with a number of third party memory suppliers, including Kingston Technology.

Although many of the Company's competitors possess significantly greater financial, marketing and technological resources, the Company competes favorably based on the buying criteria of price/performance, time- to-market, product quality, reliability, service/support, breadth of product line and compatibility with computer system vendors' technology. The Company's objective is to continue to remain strong in all of these areas with particular focus on price/performance and time-to-market, which management believes are two of the more important criteria in the selection of third party memory product suppliers. Market research and analysis capability by the Company is necessary to ensure timely information on new products and technologies coming from the computer system vendors and from the overall memory market. The Company must continue low cost, high volume production while remaining flexible to satisfy the time-to-market requirement.

The Company believes that its 43-year reputation for providing quality products is an important factor to its customers when making a purchase decision. To strengthen this reputation, the Company has a comprehensive lifetime warranty program which provides customers with added confidence in buying from the Company. See "Business-Product Warranty and Service."

Patents, Trademarks and Licenses

The Company believes that its success depends primarily upon the price and performance of its products rather than on ownership of copyrights or patents.

Sale of memory products for systems that use proprietary memory design can from time to time give rise to claims of copyright or patent infringement. In most such instances the Company has either obtained the opinion of patent counsel that its products do not violate such patents or copyrights or obtained a license from the original equipment manufacturer.

To the best of the Company's knowledge and belief, no Company product infringes any valid copyright or patent. However, because of rapid technological development in the computer industry with concurrent extensive patent coverage and the rapid rate of issuance of new patents, questions of infringement may continue to arise in the future. If such patents or copyrights are perfected in the future, the Company believes, based upon industry practice, that any necessary licenses would be obtainable upon the payment of reasonable royalties.

Employees

As of April 30, 2010, the Company had 113 full-time employees. The Company believes it has satisfactory relationships with its employees. None of the Company's employees are covered by a collective bargaining agreement.

Environmental

Compliance with federal, state and local provisions which have been enacted or adopted to regulate the protection of the environment does not have a material effect upon the capital expenditures, earnings and competitive position of the Company. The Company does not expect to make any material expenditures for environmental control facilities in either the current fiscal year (fiscal 2011) or the succeeding fiscal year (fiscal 2012).

(d) Financial information about geographic area sales.

REVENUES (000's)

		Export		
Fiscal	U.S.	Europe	Other*	Consolidated
2010	$35,566	$4,484	$3,970	$44,020
2009	$19,088	$4,793	$2,016	$25,897
2008	$22,270	$5,875	$2,748	$30,893

PERCENTAGES

		Export		
Fiscal	U.S.	Europe	Other*	Consolidated
2010	80.8%	10.2%	9.0%	100.0%
2009	73.7%	18.5%	7.8%	100.0%
2008	72.1%	19.0%	8.9%	100.0%

*Principally Asia Pacific Region

Item 1A. RISK FACTORS

WE MAY NEED TO OBTAIN ADDITIONAL WORKING CAPITAL FOR CONTINUED RESEARCH AND DEVELOPMENT. The development of the XcelaSAN product line has required and will continue to require substantial capital investment. The Company believes that it has obtained sufficient financing for the continued development of the products through its fiscal 2011. There can be no assurance, however, that such financing will be sufficient for the Company’s purposes or that additional sources of financing will be available if needed. If we require and are unable to raise additional funds, we may need to delay, scale-back or eliminate some or all of our research and product development programs and/or license third parties to develop and commercialize products or technologies that we would otherwise seek to develop and commercialize ourselves.

WE MAY HAVE TO SUBSTANTIALLY INCREASE OUR WORKING CAPITAL REQUIREMENTS IN THE EVENT OF DRAM ALLOCATIONS. Over the past 20 years, availability of DRAMs has swung back and forth from oversupply to shortage. In times of shortage, we have been forced to invest substantial working capital resources in building and maintaining inventory. At such times we have bought DRAMs in excess of our customers' needs in order to ensure future allocations from DRAM manufacturers. In the event of a shortage, we may not be able to obtain sufficient DRAMs to meet customers' needs in the short term, and we may have to invest substantial working capital resources in order to meet long-term customer needs.

WE COULD SUFFER LOSSES IF DRAM PRICES DECLINE SUBSTANTIALLY. We are at times required to maintain substantial inventories during periods of shortage and allocation. Thereafter, during periods of increasing availability of DRAMs and rapidly declining prices, we have been forced to write down inventory. There can be no assurance that we will not suffer losses in the future based upon high inventories and declining DRAM prices.

OUR MEMORY PRODUCTS MAY VIOLATE OTHERS' PATENTS. Certain of our memory products are designed to be used with proprietary computer systems built by various OEM manufacturers. We often have to comply with the OEM's proprietary memory designs which may be patented, now or at some time in the future. OEMs have, at times, claimed that we have violated their patent rights by adapting our computer memory products to meet the requirements of their systems. It is our policy to, in unclear cases, either obtain an opinion of patent counsel prior to marketing, or obtain a license from the patent holder. We are presently licensed by Sun Microsystems and Silicon Graphics to sell memory products for certain of their products. However, there can be no assurance that memory designs will not be created in the future which will, in fact, be patented and which patent holders will require the payment of substantial royalties as a condition for our continued presence in the segment of the market covered by the patent or they may not give us a license. Nor can there be any assurance that our existing products do not violate one or more existing patents.

WE MAY LOSE AN IMPORTANT CUSTOMER. During fiscal 2010, the largest ten customers accounted for approximately 34% of the Company's revenues and one customer accounted for 11% of the Company's revenues. There can be no assurance that one or more of these customers will not cease or materially decrease their business with the Company in the future and that our financial performance will not be adversely affected thereby.

SALES DIRECTLY TO OEM'S CAN MAKE OUR REVENUES, EARNINGS, BACKLOG AND INVENTORY LEVELS UNEVEN. Revenue and earnings from OEM sales may become uneven as order sizes are typically large and often a completed order cannot be shipped until released by the OEM, e.g., to meet a "just in time" inventory requirement. This may occur at or near the end of an accounting period. In such case, revenues and earnings could decline for the period and inventory and backlog could increase.

WE FACE COMPETITION FROM OEMs. In the compatibles market we sell our products at a lower price than OEMs. Customers will often pay some premium for the "name brand" product when buying additional memory and OEMs seek to exploit this tendency by having a high profit margin on memory products. However, individual OEMs can change their policy and price memory products competitively. While we believe that with our manufacturing efficiency and low overhead we still would be able to compete favorably with OEMs, in such an event profit margins and earnings would be adversely affected. Also, OEMs could choose to use "free memory" as a promotional device in which case our ability to compete would be severely impaired.

WE FACE COMPETITION FROM DRAM MANUFACTURERS. DRAM manufacturers not only sell their product as discreet devices, but also as finished memory modules. They primarily sell these modules directly to OEMs and large distributors and as such compete with us. There can be no assurance that DRAM manufacturers will not expand their market and customer base, and our profit margins and earnings could be adversely affected.

THE MARKET FOR OUR PRODUCTS MAY NARROW OVER TIME. The principal market for our memory products consists of the manufacturers, buyers and owners of workstations and enterprise servers, classes of machines lying between large mainframe computers and personal computers. Personal computers are increasing in their power and sophistication and, as a result, are now filling some of the computational needs traditionally filled by workstations. The competition for the supply of after-market memory products in the PC industry is very competitive and to the extent we compete in this market we can be expected to have lower profit margins. There can be no assurance that this trend will not continue in the future, and that our financial performance will not be adversely affected.

A PORTION OF OUR OPERATIONS IS DESIGNED TO MEET THE NEEDS OF THE VERY COMPETITIVE INTEL AND AMD PROCESSOR-BASED MOTHERBOARD MARKET. In addition to selling server memory systems, we develop, manufacture and market a variety of memory products for motherboards that are Intel or AMD processor based. Many of these products are sold to OEMs and incorporated into computers and other equipment. This is an intensely competitive market with high volumes but lower margins.

WE MAY MAKE UNPROFITABLE ACQUISITIONS. The Company is actively looking at acquiring complementary products and related intellectual property. The possibility exists that an acquisition will be made at some time in the future. Uncertainty surrounds all acquisitions and it is possible that a particular acquisition may not result in a benefit to shareholders, particularly in the short-term. In addition, there can be no assurance that the recently acquired business of MMB will be, or remain, a profitable operating unit of the Company or that expected savings from having a larger consolidated business operation will occur.

THE INVESTMENTS WE MAKE IN RESEARCH AND DEVELOPMENT MAY NOT LEAD TO PROFITABLE NEW PRODUCTS. The Company has implemented a strategy to introduce new and complementary products into its offerings portfolio, and expects to spend substantial sums of money on research and development of such possible new products. There can be no assurance, however, that these research and development expenditures will result in the identification or exploitation of any products that can be profitably sold by the Company.

WE MAY BE ADVERSELY AFFECTED BY EXCHANGE RATE FLUCTUATIONS. A portion of our accounts receivable and a portion of our expenses are denominated in foreign currencies. These proportions change over time. As a result, the Company's revenues and expenses may be adversely affected, from time to time, by changes in the relationship of the dollar to various foreign currencies on foreign exchange markets. The Company does not currently hedge its foreign currency risks.

WE MAY INCUR INTANGIBLE ASSET AND GOODWILL IMPAIRMENT CHARGES WHICH COULD HARM OUR PROFITABILITY. We periodically review the carrying values of our intangible assets and goodwill to determine whether such carrying values exceed the fair market value. Our goodwill is subject to an annual review for goodwill impairment. If impairment testing indicates that the carrying value exceeds its fair value, the intangible assets or goodwill is deemed impaired. Accordingly, an impairment charge would be recognized in the period identified, which could reduce our profitability.

OUR STOCK HAS LIMITED LIQUIDITY. Although our stock is publicly traded, it has been observed that this market is "thin." As a result, the common stock may trade at a discount to what would be its value if the stock enjoyed greater liquidity.

WE ARE SUBJECT TO THE NEW JERSEY SHAREHOLDERS PROTECTION ACT. This statute has the effect of prohibiting any "business combination" - a very broadly defined term - with any "interested shareholder" unless the transaction is approved by the Board of Directors at a time before the interested shareholder had acquired a 10% ownership interest. This prohibition of "business combinations" is for five years after the shareholder became an "interested shareholder" and continues after that time period subject to certain exceptions. A practical consequence of this statute is that a hostile acquisition of our company is unlikely to occur and hostile transactions which might be of benefit to our shareholders are unlikely to occur.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 2. PROPERTIES

The Company occupies 15,200 square feet of space for administrative, sales, research and development and manufacturing support in West Windsor Township, New Jersey under a lease expiring on June 30, 2011.

The Company leases 32,000 square feet of assembly plant and office space in Bucks County, Pennsylvania. The lease expires on January 31, 2011.

The Company leases 17,500 square feet of assembly plant and office space in Montgomery County, Pennsylvania. The lease expires on March 31, 2011.

The Company also leases marketing facilities in New Jersey, Denmark, Germany, and Japan.

Item 3. LEGAL PROCEEDINGS

Ring Technology v. Add-On Computer Peripherals, LLC
Civil Action No. 10-104 (E.D. TX)

Ring Technology ("Ring") has commenced a patent infringement action in Texas against a number of manufacturers and distributors of memory products, including Dataram, which utilize an allegedly patented part. Ring has also brought a separate action against larger manufacturers. A complaint was filed by Ring, and Dataram has filed an answer contesting all of plaintiff's claims. No discovery has yet been undertaken.

The Company has been in discussions with Ring and several of the defendant memory vendors. The Company is also pursuing a voluntary dismissal by Ring of its action against Dataram, as well as advising the Company's vendors of their contractual obligation to indemnify Dataram. If the case continues against Dataram, it is management's intent to contest the matter vigorously.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Incorporated by reference herein is the information set forth in the Company's 2010 Annual Report to Security Holders under the caption "Common Stock Information" at page 10 and the information from the Definitive Proxy Statement under the caption "Equity Plan Compensation Information." No shares were sold other than pursuant to a registered offering during fiscal 2010. In the fourth quarter of fiscal 2010, the Company purchased no shares of its common stock.

Item 6. SELECTED FINANCIAL DATA

Incorporated by reference herein is the information set forth in the 2010 Annual Report to Security Holders under the caption "Selected Financial Data" at page 29.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Incorporated by reference herein is the information set forth in the 2010 Annual Report to Security Holders under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operation" at page 2 through page 6.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Incorporated by reference herein is the information set forth in the 2010 Annual Report to Security Holders under the caption "Quantitative and Qualitative Disclosure about Market Risk" at page 9.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements and Schedule   Page in Annual Report*

Consolidated Financial Statements:

All schedules are omitted as the required information is not applicable or because the required information is included in the consolidated financial statements or notes thereto.

*Incorporated herein by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

Item 9A. CONTROLS AND PROCEDURES

Not Applicable.

Item 9A(T). CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective. The Chief Executive Officer and Chief Financial Officer of the Company disclosed a material weakness in our financial reporting in the quarter ended January 31, 2010. This weakness was comprised of a financial accounting deficiency relating to the initial non-recording during the third quarter ended January 31, 2010 of a deferred tax asset valuation allowance, which was subsequently recorded in the financial statements. The Chief Executive Officer and Chief Financial Officer of the Company have corrected the weakness. The Company's tax provision and related accounts are independently reviewed. With the exception of the rectification of aforementioned material weakness, there were no changes in our internal control over financial reporting during the quarter ended April 30, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF MANAGEMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of Company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

Management has conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of April 30, 2010. This Annual Report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting.

Management's report was not subject to attestation by the Company's independent registered public accounting firm.

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the captions "Executive Officers of the Company", "Nominees for Director" and "Section 16 Compliance." The Company's "Code of Ethics", within the meaning of Item 406 of Registered S-K, is posted on the Company's web site at www.dataram.com

Item 11. EXECUTIVE COMPENSATION

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the caption "Executive Compensation."

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Equity Plan Compensation Information."

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the captions "Executive Compensation," "Board of Directors" And “Related Party Transactions.”

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference herein is the information set forth in the Definitive Proxy Statement under the caption "Principal Accountant Fees and Services."

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report:

1. Financial Statements incorporated by reference into Part II of this Report.

2. The documents identified in the Exhibit Index which appears on page 18.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATARAM CORPORATION
(Registrant)

Date: July 29, 2010 By: JOHN H. FREEMAN

John H. Freeman, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Company and in the capacities and on the dates indicated.

Date: July 29, 2010 By: ROGER C. CADY

Roger C. Cady, Chairman of the
Board of Directors

Date: July 29, 2010 By: JOHN H. FREEMAN

John H. Freeman, President
Chief Executive Officer and
Director

Date: July 29, 2010 By: THOMAS A. MAJEWSKI

Thomas A. Majewski, Director

Date: July 29, 2010 By: ROSE ANN GIORDANO

Rose Ann Giordano, Director

Date: July 29, 2010 By: MARK E. MADDOCKS

Mark E. Maddocks
Vice President, Finance
(Principal Financial & Accounting Officer)

EXHIBIT INDEX

3(a) Restated Certificate of Incorporation. Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2008, filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 25, 2008.

3(b) By-Laws. Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2008, filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 25, 2008.

10(a) 2001 Stock Option Plan.* Incorporated by reference from Exhibits to a Definitive Proxy Statement for an Annual Meeting of Shareholders held on September 12, 2001, filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 26, 2001.

10(b) Savings and Investment Retirement Plan, January 1, 2001 Restatement.* Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2003, filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 29, 2003.

10(c) West Windsor, New Jersey Lease dated September 19, 2000. Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2001, filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 26, 2001.

10(d) Addendum "D" to West Windsor, New Jersey Lease dated February 13, 2006. Incorporated by reference from Exhibits to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on February 14, 2006.

10(e) Bucks County, Pennsylvania Lease dated January 11, 2006. Incorporated by reference from Exhibits to a Current Report on Form 8-K with the Securities and Exchange Commission, SEC file number 001-08266, filed on January 26, 2006.

10(f) Asset Purchase Agreement, dated March 20, 2009, by and among Dataram Corporation, Micro Memory Bank, Inc. and Mr. David Sheerr. Incorporated by reference from Exhibits to a Current Report on Form 8-K/A with the Securities and Exchange Commission, SEC file number 001-08266, filed on May 26, 2009.

10(g) Lease Agreement, dated December 31, 2000, between Nappen & Associates and Micro Memory Bank, Inc. and assigned to Dataram Corporation. Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2009, filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 28, 2009.

10(h) Lease Renewal Agreement, dated February 13, 2006, between Nappen & Associates and Micro Memory Bank, Inc. and assigned to Dataram Corporation. Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2009, filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 28, 2009.

10(i) Employment Agreement of Jeffrey H. Duncan dated as of February 1, 2005.* Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2005, filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 28, 2005.

10(j) Employment Agreement of Mark E. Maddocks dated as of February 1, 2005.* Incorporated by reference from Exhibits to an Annual Report on Form 10-K for the year ended April 30, 2005, filed with the Securities and Exchange Commission, SEC file number 001-08266, July 28, 2005.

10(k) Employment Agreement of David Sheerr dated as of March 31, 2009.*

10(l) Product Consignment And Sale Agreement, dated as of July 27, 2010, Between Sheerr Memory, Inc. and Dataram Corporation. Incorporated by reference from Exhibits to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 29, 2010.

10(m) Loan and Security Agreement, dated as of July 27, 2010, between Crestmark Capital Lending LLC and Dataram Corporation. Incorporated by reference from Exhibits to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 29, 2010.

10(n) Schedule to Loan and Security Agreement, dated as of July 27, 2010, between Crestmark Capital Lending LLC and Dataram Corporation. Incorporated by reference from Exhibits to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 29, 2010.

10(o) Promissory Note, dated as of July 27, 2010, from Dataram Corporation to Crestmark Capital Lending LLC. Incorporated by reference from Exhibits to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on July 29, 2010.

13(a) 2010 Annual Report to Shareholders

14(a) Code of Ethics. Incorporated by reference from Exhibits to a Current Report on Form 8-K filed with the Securities and Exchange Commission, SEC file number 001-08266, on June 20, 2005.

23(a) Consent of J.H. Cohn LLP, Independent Registered Public Accounting Firm.

31(a) Rule 13a-14(a) Certification of John H. Freeman

31(b) Rule 13a-14(a) Certification of Mark Maddocks

32(a) Section 1350 Certification of John H. Freeman (Furnished not Filed)

32(b) Section 1350 Certification of Mark Maddocks (Furnished not Filed)

*Management Contract or Compensatory Plan or Arrangement

Exhibit 10(k)

[EXECUTION COPY]

EMPLOYMENT AGREEMENT

AGREEMENT, dated as of March 31, 2009, between Dataram Corporation (the "Company"), a New Jersey corporation having a mailing address at P.O. Box 7528, Princeton, New Jersey 08543-7528, and David Sheerr (the "Executive"), an individual having a mailing address at c/o Micro Memory Bank, Inc., Corporate Drive, Montgomeryville, PA 18936.

WHEREAS, the Company desires to employ the Executive, and the Executive desires to be employed by the Company, on the terms and conditions set forth in this Agreement; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Term Of Employment. The Company will employ the Executive, and the Executive hereby accepts employment by the Company, on the terms and conditions contained in this Agreement for the period commencing upon the date of this Agreement and ending on the fourth anniversary of the date set forth above (the "Expiration Date"); provided, however, that such employment is conditioned on the Company's continued operation of the Unit defined in Section 2.1 of this Agreement.

2. Duties.

2.1 Position. During the term of Executive's employment under this Agreement (the "Term"), the Executive shall serve as the Company's general manager of the micro memory business unit (the "Unit") of the Company and report directly to the President and CEO of the Company, with such additions to the scope of the duties of his employment within the Company's field of operations or those of the Company's subsidiaries or affiliated corporations as the Company may direct.

2.2 Time. The Executive shall devote all of his business time, energy and skill to the affairs of the Company and its subsidiaries and affiliated corporations and to the promotion of their interests, provided that the Executive may serve as a director of such business and not-for-profit corporations, and as a principal of businesses and other ventures, as the Company shall permit in its discretion. The Company hereby permits Executive to devote reasonable time, energy and skill to the disposition of the inventory of Micro Memory Bank, Inc. existing on the date of this Agreement, so long as such disposition does not interfere with Executive's duties to the Company as determined in the reasonable judgment of the Company's President.

3. Compensation.

3.1 Base Compensation. During the Term, the Company shall pay the Executive a salary at the rate of $200,000 per annum, payable in equal installments in accordance with the Company's normal practices for payment of executives. Executive shall receive such annual increases in Base Compensation as the Board of Directors of Company deems appropriate.

3.2 Bonus Compensation. The Executive shall receive an annual incentive bonus payment, based on the Company's fiscal year to be paid 30 days after the end of the Company's fiscal year, and based on a designated percentage of EBITDA of the Unit, provided the Unit's EBITDA for such year is $500,000 or higher. The designated percentage of EDITDA shall be calculated by multiplying the percentage obtained by $100,000. The bonus for any year shall be no more than $100,000. EBITDA will be calculated in accordance with GAAP. EBITDA expenses will be calculated based on the following: (i) all direct expenses of the business unit to be operated following consummation of this transaction (the "Unit"), including personnel, personnel benefits, facilities, equipment, etc. will be included; (ii) synergistic savings will be credited to the Unit based on agreement between the Executive and the President of the Company; and (iii) proportional corporate expenses, including accounting, audits, SOX Compliance and corporate support and not to exceed $100,000 per year, will be included. The Company shall permit Executive and Executive's legal and accounting advisors full, complete and prompt access, upon reasonable prior notice and at such times as are reasonably acceptable to the Company and Executive, to all books, records, and other documents as may from time to time be reasonably requested by Executive to verify the calculation of the EBITDA as contemplated by this Section 3.2.

3.3 Reimbursement for Expenses. During the Term, the Company will reimburse the Executive for all documented expenses properly incurred by the Executive in the performance of the Executive's duties under this Agreement.

3.4 Stock Options. Subject to the approval of Dataram's Board of Directors and its standard stock option procedures, non-statutory five-year Dataram stock options in the total amount of 100,000 shares per year will be made available annually for four years to the Unit, to be allocated among Mr. Sheerr and certain employees of such unit as are recommended by Mr. Sheerr in his capacity as general manager, subject to standard Dataram stock option guidelines. All such options shall have an exercise price equal to fair market value on date of grant and shall vest on or after the first anniversary of the date of grant. The first year's stock option for an aggregate of 100,000 shares will be granted within 90 days from the date of this Agreement.

3.5 Other Benefits. In addition to the benefits specified in Sections 3.1 through 3.4, during the Term the Executive will be entitled to participate in any present and future life insurance, travel insurance, disability insurance, health insurance, pension, retirement and similar plans adopted by the Company for the general and overall benefit of its employees and its principal executives. The Executive shall be entitled to twenty (20) days paid vacation per year.

3.6 Withholding. The Company shall have the right to withhold from any amounts payable hereunder any amounts required to be withheld by the appropriate taxing authorities.

4. Nonassignability Of Benefits. No benefit under this Agreement shall be subject in any manner to anticipation, alienation, sale, transfer or assignment by the Executive, his beneficiaries or his estate, nor shall any benefit in any manner be liable for or subject to attachments or legal process for or against the Executive, his beneficiaries or his estate.

5. Termination Of Agreement.

5.1 Termination Generally. Except as otherwise expressly stated herein, this Agreement, and all liabilities and obligations of the Company to the Executive under this Agreement, shall cease and terminate upon the earliest of the events specified below, provided that such termination shall not effect the right of the Executive or his estate or beneficiaries to receive any salary or bonus accrued but unpaid, and shall not affect any vested rights which the Executive may have pursuant to any insurance or other benefit plans or any other plans, policies or arrangements of the Company or any of its subsidiaries or affiliated corporations:

(a) the occurrence of the Expiration Date;

(b) the date of a determination by the Company that this Agreement should be terminated by reason of the Executive's suffering from a disability to such an extent that he will be unable to perform the functions of his office for a continuous period of not less than 6 months from the date of such determination;

(c) in the event the Company is consolidated with or merged into any other corporation or entity or sells or conveys to any other corporation or entity all or substantially all of its assets, or there is a change in control of the Company (defined as a change in ownership resulting in an individual, entity or group owning 51% or more of the outstanding shares of the Company's Common Stock), the Company or any such successor entity may terminate this Agreement upon thirty (30) days notice to the Employee;

(d) the death of the Executive, subject to Section 5.3;

(e) the date of termination for cause as discussed in Section 5.2; and

(f) voluntary termination of the Executive pursuant to Section 5.4 hereof.

5.2 Termination for Cause. Anything herein to the contrary notwithstanding, the Company may terminate the Term and all of the Company's then remaining obligations hereunder for cause. For purposes of this Agreement, "cause" shall mean the Executive's material breach of this Agreement as defined by any of the following actions of the Executive: (a) the Executive's gross negligence in performing his duties or willful or knowing failure or refusal to perform his duties as directed by the Company; (b) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company; (c) the misappropriation (or attempted misappropriation) of any funds or property of the Company; (d) any breach of any duty of loyalty (imposed by this Agreement, at law, in equity or otherwise) owed to the Company; (e) the conviction of any crime involving an act of dishonesty or moral turpitude; or (f) the conviction of, or the entering of a guilty plea or plea of no contest with respect to, a felony, the equivalent thereof, or any other crime with respect to which imprisonment is a possible punishment.

5.3 Death. If the Executive dies during the Term, the Executive's estate shall be entitled to receive the base compensation provided in Section 3.1 at the then current rate to the last day of the 6th month after his death occurs together with the bonus for any fiscal year which concludes during that 6 month period. If a fiscal year does not conclude during such 6 months, the Executive's estate shall be entitled to a bonus for the year of his death prorated according to the number of months in such year through the 6th month of the Executive's death

5.4 Termination by Executive. The Executive may terminate his employment under this Agreement upon 120 days written notice.

5.5 Post-Termination Compensation. In the event the Executive is terminated by the Company other than for cause, or a notice of termination is given by the Executive pursuant to 5.4 by reason of a material (a) decrease in base salary or (b) change in job description, status or position, (c) diminution of duties or (d) change in location of employment to a location more than fifty miles from the headquarters of the Unit at the date of this Agreement, then the Company will pay the Executive six months base salary at the rate existing 60 days prior to the date of the notice of termination. Such payment shall be considered to be a severance payment and shall relieve the Executive and the Company of all obligations hereunder except that the Executive's covenants in Section 6, 7 and 8 shall be continuing obligations.

6. Confidentiality. During the Term and for three years thereafter Executive will not disclose information concerning the Company's affairs, including undisclosed financial information, products, the identity of suppliers and the identity of customers, as to which the Executive has obtained specific knowledge during the Term and which is otherwise unknown to the public. The Executive's obligations under this Section 6 shall survive the termination or expiration of this Agreement.

7. Assignment And Disclosure Of Inventions. As used herein, "Restricted Inventions" shall mean all inventions, discoveries, improvements or modifications to inventions or discoveries, whether or not patentable, which are conceived of and/or reduced to practice, by the Executive, alone or with others, at any time during the Term and which are used or useful by the Company in any of its lines of business. The Executive shall disclose any Restricted Invention promptly to the Company and the Executive hereby assigns the Company all rights to any Restricted Invention. The Executive will execute and deliver all documents and instruments necessary or desirable for the Company to apply for and obtain domestic and foreign patents for Restricted Inventions. The Executive's obligations under this Section 7 shall survive the termination or expiration of this Agreement.

8. Competition And Post Employment Restriction.

8.1 Restrictions. During the term of this Agreement and (i) for one year thereafter, if Executive's employment with the Company is three years or longer or (ii) for two years thereafter, if Executive's employment with the Company is less than three years, the Executive covenants and agrees that the Executive shall not directly or indirectly, without the Company's prior written consent: (a) make any public statement or disclosures inconsistent with his duties to advance the business and interests of the Company or make any statement disparaging the Company; (b) engage in selling, purchasing inventory or product, research, scientific investigation, employment or consulting as an officer, director, employee, consultant or individual in any capacity whatsoever in any enterprise (whether or not for profit) which competes substantially with the business of the Company or the Company's interests, successors or affiliates; or (c) solicit employees of the Company in connection with any business, whether or not such business competes with the business of the Company, its successors or affiliates. If the Company is making payments to the Executive pursuant to the terms of this Agreement after the fourth anniversary of this Agreement, the additional one year period set forth in the first sentence of this Section 8.1 shall be extended to one year after the date the last such payment is made by the Company to the Executive. The Company expressly excepts from the restrictions set forth in subsection (b) above the sale of the inventory of Micro Memory Bank, Inc. as contemplated in Section 2.2 hereof.

The Executive represents and warrants that his employment by the Company, as set forth herein, does not and will not cause him to be in breach of any other employment agreement or arrangement with any other party. The Executive's obligations under this Section 8 shall survive the termination or expiration of this Agreement.

8.2 Covenants Extendable and Divisible. In the event of a breach by the Executive of any covenant set forth in Section 8.1 of this Agreement, the term of such covenant will be extended by the period of the duration of such breach. If any covenant in Section 8.1 is held to be unreasonable, arbitrary, or against public policy, such covenant will be considered to be divisible with respect to scope, time, and geographic area, and such lesser scope, time, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable, not arbitrary, and not against public policy, will be effective, binding, and enforceable against the Executive.

9. Injunctive Relief. The Executive acknowledges that disclosure of any Restrictive Inventions or any breach of any restrictive agreements contained herein shall give rise to irreparable injury to the Company. The damage done to the Company will be difficult to ascertain and the Company will be inadequately compensated in damages. Accordingly, the Company may seek and obtain injunctive relief against the breach of the foregoing undertakings, in addition to any other legal remedies, which may be available. The Executive further acknowledges and agrees that in the event of the termination of employment with the Company, the Executive's experience and capabilities are such that the Executive can obtain employment in business activities which are of a different or noncompeting nature with his activities as an Executive of the Company; and the enforcement of a remedy hereunder by way of injunction shall not prevent the Executive from earning a reasonable livelihood. The Executive further acknowledges and agrees the covenants contained herein are necessary for the protection of the Company's legitimate business interests and are reasonable in scope and content.

10. Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable, due to being overbroad, shall be deemed to be amended to be only as broad as may be fully enforceable. Any provision of this Agreement which, notwithstanding the foregoing sentence, is determined by a court of competent jurisdiction to be invalid or unenforceable for any reason, shall not affect, impair or invalidate the remainder of this Agreement.

11. Successors And Assigns. This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns and shall be binding upon and inure to the benefit of the Executive and his heirs, executors, administrators, legal representatives and assigns.

12. Notices. All notices, requests, demands and other communications hereunder must be in writing and shall be deemed to have been duly given if mailed by first class certified mail, return receipt requested, postage prepaid, to the parties at their address as first set forth above. A copy of any notice to the Company also shall be sent to:

Thomas J. Bitar, Esq.
Dillon, Bitar & Luther
53 Maple Avenue
Morristown, New Jersey 07960

A copy of any notice to the Executive shall be sent to:

L. Gerald Rigby, Esquire
Archer & Greiner
One Liberty Place, 32nd Floor
1650 Market Street
Philadelphia, PA 19103

Either party, by notice in writing mailed to the other as provided herein, may change the address to which future notices to such party shall be mailed.

13. Miscellaneous. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of New Jersey. This Agreement embodies the entire agreement and understanding between the Company and the Executive and supersedes all prior agreements and understandings relating to the subject matter hereof except for written obligations relating to the stock option and benefit plan. This Agreement may not be modified or amended or any term or provision thereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. All prior Agreements between the parties concerning the subject matters of this Agreement are hereby terminated. The headings of this Agreement are for the purpose of reference only and shall not limit or otherwise affect the meaning thereof.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first set forth above.

DATARAM CORPORATION

By:
/s/ John H. Freeman
John H. Freeman, President
and Chief Executive Officer

THE EXECUTIVE

/s/ David Sheerr
David Sheerr

Exhibit 13(a)

[DATARAM LOGO]

DATARAM CORPORATION

2010 ANNUAL REPORT

Table of Contents

[PICTURE OF JOHN FREEMAN]

President's Letter

To Our Shareholders:

In last year's annual report I outlined our growth and diversification strategy for the Company and the initiatives we put in place to implement that strategy. I am pleased to report on our growth, progress and plans to return to profitability.

- Our traditional memory business grew 20 percent to $30 million and posted its first growth in five years.
- On March 31, 2009, we acquired certain assets of Micro Memory Bank, Inc. (MMB), a prominent memory module company offering legacy to advanced solutions in laptop, desktop and server memory products. The MMB Unit's revenues grew to $14 million and the Unit exceeded its financial performance expectations. Both MMB and the traditional Dataram memory business have benefited from leveraging each other's skills, strategies, marketing, sales, engineering and purchasing resources.
- We implemented our new go to market corporate strategy. Our traditional direct sales model has changed. We focused a direct sales team on selling solutions within industry verticals, opened web based e-sales, created an inside sales team and increased our investment in our partner strategy. We now have implemented Alliance Partners for corporations, Reseller and Distributor Partners, Government Partners and Individual Partners. The results were growth and a doubling of Channel Partner revenues, establishing momentum with these partners and having greater visibility for Dataram products and branding through these new relationships.
- We developed and launched a new corporate website incorporating new features, functions, content, and branding which reflects and supports our new corporate mission and strategy. The website's interactive e-commerce capabilities generated business leads and sales representing over $1 million in revenues. We expect continued growth in e-sales via the web site through our current search engine optimization, pay per click and social networking initiatives.
- IT spending is growing as the worldwide economy improves. As a result of the many initiatives we have implemented and the gradual economic recovery, we set the stage for our memory business' return to cash profitability in the second half of fiscal 2010. We expect continued growth and profitability in our traditional memory business.
- We have continued to make significant investments as well as steady progress in the development of our XcelaSAN ® product line. XcelaSAN is a unique intelligent Storage Area Network (SAN) optimization solution that delivers substantive application performance improvement to applications such as Oracle, SQL and VMware. XcelaSAN augments existing storage systems by transparently applying intelligent caching algorithms that serve the most active block-level data from high-speed storage, creating an intelligent, virtual solid state SAN. This breakthrough solution allows organizations to dramatically increase the performance of their business-critical applications without the costly hardware upgrades or over-provisioning of storage typically found in current solutions for increased performance. Additional financing has been obtained to support our continued investments in XcelaSAN. In August 2010, we are releasing enhanced features to support sales initiatives. These changes incorporate feedback from our customers and increase the products' ease of use, ease of installation and interoperability. High availability systems are expected to be available for sale in December. Based on customer feedback and their excitement about the benefits of XcelaSAN, we anticipate that both our enhancements and the shipment of high availability systems will accelerate product sales and broaden market adoption.
- We will continue to execute our new strategy and leverage the investments we have made in sales, marketing and new product development to increase our growth and profits in our memory solutions and XcelaSAN storage businesses. These investments have also set the stage for Dataram to provide more solutions and optimization benefits to our clients as we continue to diversify and create a stronger foundation for growth.

On behalf of the Company's Board of Directors and management team, I would like to thank our shareholders for their continued support and our employees for their hard work and dedication.

July 28, 2010

John H. Freeman
President and Chief Executive Officer

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Dataram is a developer, manufacturer and marketer of large capacity memory products primarily used in high performance network servers and workstations. The Company provides customized memory solutions for original equipment manufacturers (OEMs) and compatible memory for leading brands including Dell, HP, IBM, and Sun Microsystems. Additionally, the Company manufactures a line of memory products for Intel and AMD motherboard based servers. The Company is also developing a line of high performance storage caching products.

The Company's memory products are sold worldwide to OEMs, distributors, value-added resellers and end-users. The Company has two manufacturing facilities in the United States with sales offices in the United States, Europe and Japan.

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

On March 31, 2009, the Company acquired certain assets of Micro Memory Bank, Inc. (MMB), a privately held corporation. MMB is a manufacturer of legacy to advanced solutions in laptop, desktop and server memory products. The acquisition expanded the Company's memory product offerings and routes to market. The results of operations of MMB for the period from the acquisition date through April 30, 2010 have been included in the consolidated results of operations of the Company.

Results of Operations

The following table sets forth consolidated operating data expressed as a percentage of revenues for the periods indicated.

Years Ended April 30,	2010	2009	2008
Revenues	100.0%	100.0%	100.0%
Cost of sales	73.6	67.4	61.6
Gross profit	26.4	32.6	38.4
Engineering	2.3	4.7	4.1
Research and development	9.7	5.9	0
Selling, general and administrative	30.3	42.7	28.6
Earnings (loss) from operations	(15.9)	(20.7)	5.7
Other income (expense), net	(0.3)	0.9	2.8
Earnings (loss) before income tax expense	(16.2)	(19.8)	8.5
Income tax expense (benefit)	8.2	(7.7)	3.3
Net earnings (loss)	(24.4)	(12.1)	5.2

Fiscal 2010 Compared With Fiscal 2009

Revenues for fiscal 2010 were $44.0 million compared to $25.9 million in fiscal 2009. The recently acquired MMB business unit generated revenues of approximately $14.0 million in fiscal 2010 and $0.9 million in fiscal 2009. Exclusive of the effect of the acquired MMB business units revenues, the Company's revenues increased by approximately 20% in fiscal 2010 versus fiscal 2009. This was primarily the result of the Company's implementation of its revamped sales and marketing strategy having a positive effect on demand for its products, coupled with an increase in overall demand for IT infrastructure as the economy recovers from last year's financial crises.

Revenues for the fiscal years ended April 30, 2010 and 2009 by geographic region were:

	Year ended April 30, 2010	Year ended April 30, 2009
United States	$ 35,566,000	$ 19,088,000
Europe	4,484,000	4,793,000
Other (principally Asia Pacific Region)	3,970,000	2,016,000
Consolidated	$ 44,020,000	$ 25,897,000

Cost of sales was $32.4 million in fiscal 2010 or 73.6 percent of revenues compared to $17.4 million or 67.4 percent of revenues in fiscal 2009**.** Current fiscal year's cost of sales as a percent of revenue is considered by management to be within the Company's normal range. The prior fiscal year percentages are considered by management to be unusually low and were the result of a product mix skewed more heavily toward higher margin legacy products as sales of lower margin mainstream products were negatively impacted by the world financial crisis. Fluctuations in cost of sales as a percentage of revenues are not unusual and can result from many factors, including rapid changes in the price of DRAMs, or changes in product mix possibly resulting from a large order or series of orders for a particular product or a change in customer mix.

Engineering expenses in fiscal 2010 were $1.0 million, versus $1.2 million in fiscal 2009.

Research and development expenses in fiscal 2010 were $4.3 million, versus $1.5 million in fiscal 2009. In the first quarter of the prior fiscal year, the Company implemented a strategy to introduce new and complementary products into its offerings portfolio. The Company is currently focusing on the development of certain high performance storage products. As part of that strategy, in January 2009, the Company entered into a software purchase and license agreement (Agreement) with another company whereby the Company acquired the exclusive right to purchase specified software for a price of $900,000 plus a contingent payment of $100,000. Fiscal 2010's research and development expense includes $600,000 of expense related to the Agreement, of which $300,000 was expensed in the first fiscal quarter and $300,000 was expensed in the second fiscal quarter. The Company now owns the software. The software and the storage products, which incorporate the software, are currently under development. We expect to make further investments in this area.

Selling, general and administrative(S,G&A) expenses were $13.4 million in fiscal 2010 versus $11.1 million in fiscal 2009**.** The acquired MMB business unit's S,G&A expense recorded in fiscal 2010 was approximately $2.1 million, versus $161,000 in fiscal 2009. The prior fiscal year's expense included a charge of approximately $716,000 related to a retirement agreement entered into with the Company's former chief executive officer. Stock-based compensation expense is recorded as a component of S,G&A expense and totaled approximately $918,000 in fiscal 2010, versus $533,000 in fiscal 2009. In fiscal 2010, the Company recorded marketing and sales expense related to our new storage products of approximately $906,000 versus nil in the comparable prior year. These expenses are mainly related to the addition of sales personnel and sales engineers for the storage products.

Other income (expense), net for fiscal year 2010 totaled $117,000 expense versus $223,000 income in fiscal 2009. Other income (expense) in fiscal 2010 includes $85,000 of foreign currency transaction losses, primarily as a result of the EURO weakening against the US dollar. Additionally, other income (expense) includes $43,000 of interest expense. Approximately $10,000 of income was recorded for the gain on sale of assets. Other income in fiscal 2009 includes $294,000 of net interest income. Additionally, other income includes $68,000 of foreign currency transaction losses, primarily as a result of the EURO weakening against the US dollar.

The Company's consolidated statements of operations for fiscal 2010 include approximately $3.6 million of income tax expense. The Company utilizes the asset and liability method of accounting for income taxes in accordance with the provisions of the Expenses – Income Taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)(Codification). Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is provided when the Company determines that it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company considers certain tax planning strategies in its assessment as to the recoverability of its tax assets. In each reporting period, the Company assesses, based on the weight of all evidence, both positive and negative, whether a valuation allowance on its deferred tax assets is warranted. Based on the assessment conducted in the Company's reporting period ended January 31, 2010, the Company concluded that such an allowance was warranted and accordingly, recorded a valuation allowance of approximately, $5.8 million in that reporting period. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences or tax attributes are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that the tax rate changes. Income tax expense (benefit) for fiscal 2009 was a benefit of $2.0 million. The Company's effective tax rate for financial reporting purposes in fiscal 2009 was approximately 39%. The Company has Federal and State net operating loss (NOL) carry-forwards of approximately $11.5 million and $9.7 million, respectively. These can be used to offset future taxable income and expire between 2023 and 2030 for Federal tax purposes and 2016 and 2030 for state tax purposes.

Fiscal 2009 Compared With Fiscal 2008

Revenues for fiscal 2009 were $25.9 million compared to $30.9 million in fiscal 2008. The decline in revenues came primarily from a softening in demand due to the weakening economy. Many of our customers curtailed their capital spending while they adapted their business plans. In response to these conditions, the Company instituted a reduction in workforce in the fourth quarter of fiscal 2009.

Cost of sales was $17.4 million in fiscal 2009 or 67.4 percent of revenues compared to $19.0 million or 61.6 percent of revenues in fiscal 2008. Fluctuations in cost of sales as a percentage of revenues are not unusual and can result from many factors, some of which are a rapid change in the price of DRAMs, or a change in product mix possibly resulting from a large order or series of orders for a particular product or a change in customer mix.

Engineering expenses in fiscal 2009 were $1.2 million, versus $1.3 million in fiscal 2008.

Research and development expenses in fiscal 2009 were $1.5 million, versus nil in fiscal 2008. In fiscal 2009, the Company implemented a strategy to introduce new and complementary products into its offerings portfolio. The Company began to develop certain high performance storage products. As part of that strategy, in January 2009, the Company entered into a software purchase and license agreement with another company whereby the Company acquired the exclusive right to purchase specified software for a price of $900,000 plus a contingent payment of $100,000. Research and development expense in fiscal 2009 includes $300,000 of expense related to the initial payment for the software purchase and license. Additionally, approximately $121,000 of research and development expense recorded in fiscal 2009 represented a non-cash expense for the fair value of stock options issued to a privately held company to acquire certain patents and other intellectual property. These patents and other intellectual property were deemed to have no alternative future use when acquired and we had an uncertainty in receiving future economic benefits from them.

Selling, general and administrative(S,G&A) expenses were $11.1 million in fiscal 2009 versus $8.8 million in fiscal 2008. S,G&A expense in fiscal 2009 includes a charge of approximately $716,000 related to a retirement agreement entered into with the Company's former chief executive officer. Of this amount, approximately $660,000 relates to payments defined in the agreement and the balance consists primarily of legal fees incurred by the Company associated with this matter. Fiscal 2009 expense also includes $418,000 of severance for terminated employees and a $138,000 charge as a result of one of the Company's foreign customers entering receivership. Fiscal 2009 S,G&A expense includes approximately $161,000 associated with the operations of the acquired MMB business unit. The remaining increase in S,G&A expense is primarily attributable to planned increases in the Company's sales and marketing infrastructure which occurred prior to the economic downturn. In the fourth quarter of fiscal 2009, the Company took actions to reduce its S,G&A expenses in response to the changed economic environment. Stock-based compensation expense is recorded as a component of S,G&A expense and totaled $533,000 in fiscal 2009 versus $297,000 in fiscal 2008.

Other income, net for fiscal year 2009 totaled $223,000 versus $868,000 in fiscal 2008. Other income in fiscal 2009 includes $294,000 of net interest income. Additionally, other income includes $68,000 of foreign currency transaction losses, primarily as a result of the EURO weakening against the US dollar. Other income in Fiscal 2008 includes $748,000 of net interest income and $120,000 of foreign currency transaction gains, primarily as a result of the EURO strengthening relative to the US dollar.

Income tax expense (benefit) for fiscal 2009 was a benefit of $2.0 million versus $1.0 million of tax expense in fiscal 2008. The Company's effective tax rate for financial reporting purposes in fiscal 2009 was approximately 39%.

Liquidity and Capital Resources

Cash and cash equivalents at the end of fiscal 2010 amounted to $2.5 million and working capital amounted to $8.5 million, reflecting a current ratio of 2.4 to 1, compared to cash and cash equivalents of $12.5 million, working capital of $15.5 million and a current ratio of 6.0 to 1 as of April 30, 2009.

Accounts receivable at the end of fiscal 2010 were $5.3 million compared to fiscal 2009 year end accounts receivable of $3.4 million.

The Company used $8.8 million of cash flows in operating activities primarily the result of net losses of $10.7 million. The net loss was partially offset by the reversal of deferred tax asset of $3.6 million. Inventories increased by approximately $4.7 million. The MMB business unit described in Note 2 to the consolidated financial statements increased its inventory levels by approximately $2.8 million to properly support normal sales levels. At April 30, 2009, the MMB business unit inventory totaled approximately $170,000. Inventory was maintained at an unsustainably low level during the first month subsequent to the acquisition as part of the Company's transition and integration plan. The balance of the inventories increase was primarily the result of a management decision to purchase certain inventories at favorable pricing levels. Accounts receivable increased approximately $2.0 million as a result of increased revenues. Cash used in operating activities was partially offset by an increase in accounts payable of approximately $2.1 million. Depreciation and amortization expense of approximately $1.2 million and non-cash stock-based expense of approximately $918,000 were also recorded. Accrued liabilities increased by approximately $650,000.

Cash used in investing activities totaled approximately $2.3 million and consisted of the acquisition of a business, more fully described below, totaling approximately $1.7 million and additions of property and equipment totaling approximately $574,000.

Cash provided by financing activities totaled approximately $1.1 million and consisted of proceeds from a loan from a related party totaling $1.0 million and proceeds from the sale of common shares under the Company's stock option plan totaling approximately $118,000.

Capital expenditures were $574,000 in fiscal 2010 compared to $617,000 in fiscal 2009. Fiscal 2011 capital expenditures are expected to total approximately $600,000. At the end of fiscal 2010, contractual commitments for capital purchases were zero.

On December 4, 2002, the Company announced an open market repurchase plan providing for the repurchase of up to 500,000 shares of the Company's common stock. As of April 30, 2010, the total number of shares authorized for purchase under the program is 172,196 shares. In fiscal 2010 and 2009, the Company did not repurchase any shares of its common stock.

On February 24, 2010, the Company entered into a Note and Security Agreement ("Agreement") with an employee who is also an executive officer of the Company. Under the Agreement, the Company borrowed the principal sum of $1,000,000 for a period of six months, which the Company can extend for an additional three months without penalty. The loan bears interest at the rate of 5.25%. Interest is payable monthly, and the entire principal amount is payable in the event of the employee's termination of employment by the Company. The loan is collateralized by a security interest in all machinery, equipment and inventory of Dataram at its Montgomeryville, PA location. Also, as a subsequent event, on July 27, 2010, the Company entered into an agreement with a financial institution for secured debt financing of up to $5.0 million. Also, on July 27, 2010, the Company entered into an agreement with a vendor, which is wholly owned by the employee and executive officer referred to above, to consign a formula based amount of up to $3.0 million of certain inventory into our manufacturing facilities. This will allow us to substantially reduce our inventory carrying requirements while still maintaining our ability to service our customers. Management believes that the Company's cash flows generated from operations together with cash generated through these agreements will be sufficient to meet the Company's short-term liquidity needs. Management also believes that in order to satisfy long-term liquidity needs, the Company will need to generate profitable operations and positive cash flows.

On March 31, 2009, the Company acquired certain assets of MMB. The Company purchased the assets from MMB for total consideration of approximately $2,253,000, of which approximately $912,000 was paid in cash. The Company also assumed certain accounts payable totaling approximately $190,000 and certain accrued liabilities totaling approximately $122,000. The net assets acquired by the Company were recorded at their respective fair values under the purchase accounting guidance existing at the date of acquisition. Under the terms of the agreement with MMB, the remaining portion of the purchase price is contingently payable based upon the performance of the new Dataram business unit to be operated as a result of the acquisition (the Unit) and consists of a percentage, averaging 60%, payable quarterly, over the next three years of earnings before interest, taxes, depreciation and amortization of the Unit and will be recorded as a component of Goodwill in the Company's consolidated financial statements.

Contractual Obligations

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of April 30, 2010 are as follows:

	Operating leases
Year ending April 30:	
2011	$ 387,000
2012	34,000
Thereafter	0
	$ 421,000

Purchases

At April 30, 2010, the Company had open purchase orders outstanding totaling $5.5 million primarily for inventory items to be delivered in the first six months of fiscal 2011. These purchase orders are cancelable**.**

Recently Adopted Accounting Guidance

We have adopted the authoritative guidance issued by the FASB ASC as the source of authoritative accounting and reporting standards to be applied by nongovernmental entities to financial statements that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). The FASB ASC is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The adoption of the FASB Codification did not have a material impact on our consolidated financial statements. The GAAP references in the accompanying consolidated financial statements reflect the FASB Codification.

On May 1, 2009, we adopted authoritative guidance issued by the FASB on business combinations. The guidance retains the fundamental requirements that the acquisition method of accounting (previously referred to as the purchase method of accounting) be used for all business combinations, but requires a number of changes, including changes in the way assets and liabilities are recognized and measured as a result of business combinations. It also requires the capitalization of in-process research and development at fair value and requires the expensing of acquisition-related costs as incurred. We have not completed any business combinations since May 1, 2009.

On May 1, 2009, we adopted the authoritative guidance issued that changes the accounting and reporting for non-controlling interests. Non-controlling interests are to be reported as a component of equity separate from the parent's equity, and purchases or sales of equity interests that do not result in a change in control are to be accounted for as equity transactions. In addition, net income attributable to a non-controlling interest is to be included in net income and, upon a loss of control, the interest sold, as well as any interest retained, is to be recorded at fair value with any gain or loss recognized in net income. Adoption of the new guidance did not have a material impact on our financial statements because we do not have a noncontrolling interest in our consolidated financial statements.

On May 1, 2009, we adopted the authoritative guidance on fair value measurement for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). Adoption of the new guidance did not have a material impact on our financial statements.

The Subsequent Events Topic of the FASB ASC, effective May 1, 2009, established general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Company has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through the filing date and has determined that other than the Agreements more fully described in Note 5 to the consolidated financial statements, no subsequent event or transaction meets the requirements for disclosure.

Recent Accounting Guidance Not Yet Adopted

In June 2009, the FASB issued authoritative guidance on the consolidation of variable interest entities, which is effective for us beginning May 1, 2010. The new guidance requires revised evaluations of whether entities represent variable interest entities, ongoing assessments of control over such entities, and additional disclosures for variable interests. We believe adoption of this new guidance will not have a material impact on our financial statements.

In October 2009, the FASB issued authoritative guidance on revenue recognition which is effective for us beginning on May 1, 2010, with earlier adoption permitted. Under the new guidance on arrangements that include software elements, tangible products that have software components that are essential to the functionality of the tangible product are no longer within the scope of the software revenue recognition guidance, and software-enabled products are now subject to other relevant revenue recognition guidance. Additionally, the FASB issued authoritative guidance on revenue arrangements with multiple deliverables that are outside the scope of the software revenue recognition guidance. Under the new guidance, when vendor specific objective evidence or third party evidence for deliverables in an arrangement cannot be determined, a best estimate of the selling price is required to separate deliverables and allocate arrangement consideration using the relative selling price method. The new guidance includes new disclosure requirements on how the application of the relative selling price method affects the timing and amount of revenue recognition. We believe adoption of this new guidance will not have a material impact on our financial statements.

Critical Accounting Policies

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

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

Stock Option Expense - As required by the Compensation - Stock Compensation Topic of FASB ASC, the accounting for transactions in which an entity receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the entity’s equity instruments or that may be settled by the issuance of such equity instruments are accounted for using a fair value-based method with a recognition of an expense for compensation cost related to share-based payment arrangements, including stock options and employee stock purchase plans. The consolidated statements of operations for fiscal 2010 and fiscal 2009 include approximately $918,000 and $533,000, respectively, of stock-based compensation expense. Stock-based compensation expense is recognized in the selling, general and administrative expenses line item of the accompanying consolidated statements of operations on a ratable basis over the vesting periods. These stock option grants have been classified as equity instruments and, as such, a corresponding increase, net of the reversal of the previously recorded income tax benefit for options which expired during the reporting period, has been reflected in additional paid-in capital in the accompanying balance sheet. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: The expected life in fiscal year 2010 represents the period that the Company’s stock-based awards are expected to be outstanding and was calculated using the simplified method pursuant to SEC Staff Accounting Bulletin (SAB) No. 107 (SAB 107) and SAB No. 110. Expected life for fiscal years 2009 and 2008 is based on the Company’s historical experience of option exercises relative to option contractual lives. Expected volatility is based on the historical volatility of the Company’s common stock using the daily closing price of the Company’s common stock, pursuant to SAB 107. Expected dividend yield assumes the current dividend rate remains unchanged. Expected forfeiture rate is based on the Company’s historical experience. The risk-free rate is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the option grants.

Research and Development Expense – All research and development costs are expensed as incurred, including Company-sponsored research and development and costs of patents and other intellectual property that have no alternative future use when acquired and in which we had an uncertainty in receiving future economic benefits.

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

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

Quantitative and Qualitative Disclosure about Market Risk

The Company does not invest in market risk sensitive instruments. At times, the Company's cash equivalents consist of overnight deposits with banks and money market accounts. The Company's rate of return on its investment portfolio changes with short-term interest rates, although such changes will not affect the value of its portfolio. The Company's objective in connection with its investment strategy is to maintain the security of its cash reserves without taking market risk with principal.

The Company purchases and sells primarily in U.S. dollars. The Company sells in foreign currency (primarily Euros) to a limited number of customers and as such incurs some foreign currency risk. At any given time, approximately 5 to 10 percent of the Company's accounts receivable are denominated in currencies other than U.S. dollars. At present, the Company does not purchase forward contracts as hedging instruments, but could do so as circumstances warrant.

Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Report of Management on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of Company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of Company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected.

The Chief Executive Officer and Chief Financial Officer of the Company disclosed a material weakness in our financial reporting in the quarter ended January 31, 2010. This weakness was comprised of a financial accounting deficiency relating to the initial non-recording during the third quarter ended January 31, 2010 of a deferred tax asset valuation allowance, which was subsequently recorded in the financial statements. The Chief Executive Officer and Chief Financial Officer of the Company have corrected the weakness. The Company's tax provision and related accounts are independently reviewed.

Management has conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. With the exception of the rectification of aforementioned material weakness, there were no changes in our internal control over financial reporting during fiscal 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Management has concluded that the Company's internal control over financial reporting was effective as of April 30, 2010. This Annual Report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm.

Common Stock Information

The Common Stock of the Company is traded on the NASDAQ National Market with the symbol "DRAM". The following table sets forth, for the periods indicated, the high and low prices for the Common Stock.

	2010		2009	
	High	Low	High	Low
First Quarter	$ 1.75	$ 1.27	$ 3.35	$ 2.21
Second Quarter	4.49	1.39	2.50	1.13
Third Quarter	5.49	2.50	1.88	1.08
Fourth Quarter	3.51	2.22	1.40	1.11

At April 30, 2010, there were approximately 5,000 shareholders.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
April 30, 2010 and 2009
(In thousands, except share and per share amounts)

	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	$ 2,507	$12,525
Accounts receivable, less allowance for doubtful accounts and sales returns of $250 in 2010 and $290 in 2009	5,344	3,381
Inventories:		
Raw materials	3,919	1,345
Work in process	32	15
Finished goods	2,921	841
	6,872	2,201
Deferred income taxes	-	300
Other current assets	87	126
Total current assets	14,810	18,533
Deferred income taxes	-	3,282
Property and equipment:		
Machinery and equipment	12,300	11,761
Leasehold improvements	2,235	2,225
	14,535	13,986
Less accumulated depreciation and amortization	13,418	12,886
Net property and equipment	1,117	1,100
Other assets	105	136
Intangible assets, less accumulated amortization of $692 in 2010 and $55 in 2009	867	1,504
Goodwill	754	-
	$17,653	$24,555
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 3,523	$ 1,386
Accrued liabilities	1,738	1,689
Note payable to related party	1,000	-
Total current liabilities	6,261	3,075
Accrued liabilities	-	381
Total liabilities	6,261	3,456
Commitments and contingencies		
Stockholders' equity:		
Common stock, par value $1.00 per share. Authorized 54,000,000 shares; issued and outstanding 8,918,309 at April 30, 2010 and 8,869,184 on April 30, 2009	8,918	8,869
Additional paid-in capital	8,009	7,023
Retained earnings (accumulated deficit)	(5,535)	5,207
Total stockholders' equity	11,392	21,099

$17,653	$24,555
======	======

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations
Years ended April 30, 2010, 2009 and 2008
(In thousands, except per share amounts)

	2010	2009	2008
Revenues	$ 44,020	$ 25,897	$ 30,893
Costs and expenses:			
Cost of sales	32,408	17,443	19,016
Engineering	997	1,219	1,267
Research and development	4,265	1,531	-
Selling, general and administrative	13,365	11,064	8,837
	51,035	31,257	29,120
Earnings (loss) from operations	(7,015)	(5,360)	1,773
Other income (expense):			
Interest income	12	300	754
Interest expense	(54)	(6)	(6)
Currency gain (loss)	(85)	(68)	120
Other income (expense)	10	(3)	-
	(117)	223	868
Earnings (loss) before income tax expense (benefit)	(7,132)	(5,137)	2,641
Income tax expense (benefit)	3,611	(2,002)	1,033
Net earnings (loss)	$(10,743)	$(3,135)	$ 1,608
Net earnings (loss) per common share:			
Basic	$ (1.21)	$ (0.35)	$ 0.18
Diluted	$ (1.21)	$ (0.35)	$ 0.18

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended April 30, 2010, 2009 and 2008
(In thousands)

	2010	2009	2008
Cash flows from operating activities:			
Net earnings (loss)	$(10,743)	$(3,135)	$ 1,608
Adjustments to reconcile net earnings (loss)to net cash provided by (used in)operating activities:			
Depreciation and amortization	1,193	456	312
Bad debt expense (recovery)	32	204	(18)
Stock-based compensation expense	918	533	297
Other stock option expense	-	121	-
Loss (gain) on sale of property and equipment	(10)	2	-
Deferred income tax expense (benefit)	3,582	(2,040)	691
Excess tax benefits from sale of common shares under stock option plan	-	-	(81)
Changes in assets and liabilities (net of effect of acquisition of business):			
Decrease (increase) in accounts receivable	(1,994)	940	688
Decrease (increase) in inventories	(4,672)	(223)	144
Decrease (increase) in other current assets	39	(28)	133
Decrease (increase) in other assets	31	(41)	26
Increase (decrease) in accounts payable	2,137	(594)	192
Increase (decrease) in accrued liabilities	650	217	(274)
Net cash provided by (used in) operating activities	(8,837)	(3,588)	3,718
Cash flows from investing activities:			
Acquisition of business	(1,736)	(912)	-
Collection of note receivable	-	-	1,537
Additions to property and equipment	(573)	(617)	(235)
Proceeds from sale of property and equipment	10	-	21
Net cash provided by (used in) investing activities	(2,299)	(1,529)	1,323
Cash flows from financing activities:			
Proceeds from related party note payable	1,000	-	-
Proceeds from sale of common shares under stock option plan (including tax benefits)	118	-	496
Excess tax benefits from sale of common shares under stock option plan	-	-	81
Dividends paid	-	-	(2,114)
Net cash provided by (used in) financing activities	1,118	-	(1,537)
Net increase (decrease) in cash and cash equivalents	(10,018)	(5,117)	3,504
Cash and cash equivalents at beginning of year	12,525	17,642	14,138
Cash and cash equivalents at end of year	$ 2,507	$ 12,525	$ 17,642

Supplemental disclosures of cash flow information:

Cash paid during the year for:			
Interest	$ 54	$ 6	$ 6
Income taxes	$ 35	$ 20	$ 134

See accompanying notes to consolidated financial statements.

DATARAM CORPORATION AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity
Years ended April 30, 2010, 2009 and 2008
(In thousands, except share amounts)

	Common stock	Additional paid-in capital	Retained earnings (accumulated (deficit)	Total stock-holders' equity
Balance at April 30, 2007	$ 8,688	$ 5,796	$ 8,848	$23,332
Issuance of 181,429 shares under stock option plans, including income tax benefit of $81	181	315	-	496
Net earnings	-	-	1,608	1,608
Stock-based compensation expense	-	297	-	297
Dividends paid (1)	-	-	(2,114)	(2,114)
Balance at April 30, 2008	$ 8,869	$ 6,408	$ 8,342	$23,619
Net loss	-	-	(3,135)	(3,135)
Stock-based compensation expense Net of tax effect of expired options of $39	-	494	-	494
Other stock option expense	-	121	-	121
Balance at April 30, 2009	$ 8,869	$ 7,023	$ 5,207	$21,099
Issuance of 49,125 shares under stock option plans	50	68	-	118
Net loss	-	-	(10,743)	(10,743)
Stock-based compensation expense	-	918	-	918
Balance at April 30, 2010	$ 8,919	$ 8,009	$(5,536)	$11,392

(1) Dividends paid in the fiscal year ended April 30, 2008 totaled $0.24 per common share and were paid quarterly at the rate of $0.06 per common share.

See accompanying notes to consolidated financial statements.

(Dollars in thousands, except per share amounts)

(1) Significant Accounting Policies

Description of Business

Dataram is a developer, manufacturer and marketer of large capacity memory products primarily used in high performance network servers and workstations. The Company provides customized memory solutions for original equipment manufacturers (OEMs) and compatible memory for leading brands including Dell, HP, IBM and Sun Microsystems. Additionally, the Company manufactures a line of memory products for Intel and AMD motherboard based servers. The Company is also developing a line of high performance storage caching products.

The Company's memory products are sold worldwide to OEMs, distributors, value-added resellers and end-users. The Company has two manufacturing facilities in the United States with sales offices in the United States and Europe.

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

Principles of Consolidation

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

Liquidity

As discussed in Note 5, the Company entered into an accounts receivable financing agreement and an inventory consignment agreement to address short-term liquidity needs. Based on the cash flows expected to be provided from these agreements along with the cash flows projected to result from the Company's operations, management has concluded that the Company's short-term liquidity needs have been satisfied. In order to satisfy long-term liquidity needs, the Company will need to generate profitable operations and positive cash flows.

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash and money market accounts.

Accounts Receivable

Accounts receivable consists of the following categories:

	April 30, 2010	April 30, 2009
Trade receivables	$ 5,000	$ 3,599
VAT receivable	594	72
Allowance for doubtful accounts and sales returns	(250)	(290)
	$ 5,344	$ 3,381

The VAT receivable was collected in the first quarter of the Company's fiscal year ending April 30, 2011.

Inventories

Inventories, consisting of materials, labor and manufacturing overhead, are stated at the lower of cost or market, with cost determined by the first-in, first-out method.

Note Receivable

On December 29, 2005, the Company closed on an agreement to sell its undeveloped land. The purchase price was $3,075 of which half, or $1,537, was paid in the form of a note that accrued interest, payable monthly, at 5% per annum for a period of one year and 7.5% per annum thereafter. In fiscal 2008, the note was paid in full.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is computed on the straight-line basis. Depreciation and amortization rates are based on the estimated useful lives, which range from three to five years for machinery and equipment and five to six years for leasehold improvements. When property or equipment is retired or otherwise disposed of, related costs and accumulated depreciation and amortization are removed from the accounts.

Repair and maintenance costs are charged to operations as incurred.

Long-Lived Assets

Long-lived assets, such as property, plant and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less cost to sell, and no longer depreciated. The Company considers various valuation factors, principally undiscounted cash flows, to assess the fair values of long-lived assets.

Intangible Assets and Goodwill

Intangible assets with determinable lives are amortized using the straight-line method over their estimated period of benefit, ranging from two to five years. We evaluate the recoverability of intangible assets periodically and take into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists. All of our intangible assets with definitive lives are subject to amortization. No material impairments of intangible assets have been identified during any of the periods presented. Goodwill is tested for impairment on an annual basis and between annual tests if indicators of potential impairment exist, using a fair-value-based approach. The date of our annual impairment test is March 1.

Revenue Recognition

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

Engineering and Research and Development

The Company expenses engineering costs as incurred. Engineering effort is directed to the development of new or improved computer memory products as well as ongoing support for existing products. All research and development costs are expensed as incurred, including Company-sponsored research and development and costs of patents and other intellectual property that have no alternative future use when acquired and in which we had an uncertainty in receiving future economic benefits.

Income Taxes

The Company utilizes the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company considers certain tax planning strategies in its assessment as to the recoverability of its tax assets. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that the tax rate changes. The Company recognizes, in its financial statements, the impact of a tax position, if that position is more likely than not to be sustained on audit, based on technical merits of the position. The Company's Federal tax returns for fiscal 2007 through fiscal 2009 remain open for examination. There are no material unrecognized tax positions in the financial statements.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in financial institutions and brokerage accounts. To the extent that such deposits exceed the maximum insurance levels, they are uninsured. The Company performs ongoing evaluations of its customers' financial condition, as well as general economic conditions and, generally, requires no collateral from its customers. At April 30, 2010, amounts due from one customer totaled approximately 14% of accounts receivable. At April 30, 2009, amounts due from one customer totaled approximately 21% of accounts receivable.

In fiscal 2010, the Company had sales to one customer that accounted for approximately 11% revenues. In fiscal 2009, the Company had sales to one customer that accounted for approximately 17% of revenues. In fiscal 2008, the Company had sales to one customer that accounted for 14% of revenues.

Net earnings (loss) per share

Basic net earnings per share is calculated by dividing net earnings by the weighted average number of common shares outstanding during the period. Diluted net earnings per share was calculated in a manner consistent with basic net earnings per share except that the weighted average number of common shares outstanding also includes the dilutive effect of stock options outstanding (using the treasury stock method).

The following presents a reconciliation of the numerator and denominator used in computing basic and diluted net earnings per share.

	Year ended April 30, 2010		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share -net loss and weighted average common shares outstanding	$(10,743)	8,890,914	$(1.21)
Effect of dilutive securities -stock options	-	-	-
Diluted net loss per share -net loss weighted average common shares outstanding and effect of stock options	$(10,743)	8,890,914	$(1.21)

	Year ended April 30, 2009		
	Loss (numerator)	Shares (denominator)	Per share amount
Basic net loss per share -net loss and weighted average common shares outstanding	$(3,135)	8,869,184	$ (.35)
Effect of dilutive securities -stock options	-	-	-
Diluted net loss per share -net loss weighted average common shares outstanding and effect of stock options	$(3,135)	8,869,184	$ (.35)

	Year ended April 30, 2008		
	Earnings (numerator)	Shares (denominator)	Per share amount
Basic net earnings per share -net earnings and weighted average common shares outstanding	$ 1,608	8,825,000	$ .18
Effect of dilutive securities -stock options	-	29,000	-
Diluted net earnings per share -net earnings, weighted average common shares outstanding and effect of stock options	$ 1,608	8,854,000	$ .18

Diluted net loss per common share does not include the effect of options to purchase 1,996,800 shares of common stock for the year ended April 30, 2010 because they are anti-dilutive.

Diluted net loss per common share does not include the effect of options to purchase 1,307,675 shares of common stock for the year ended April 30, 2009 because they are anti-dilutive.

Diluted net earnings per common share does not include the effect of options to purchase 756,135 shares of common stock for the year ended April 30, 2008 because they are anti-dilutive.

Product Warranty

The majority of the Company's products are intended for single use; therefore, the Company requires limited product warranty accruals. The Company accrues estimated product warranty cost at the time of sale and any additional amounts are recorded when such costs are probable and can be reasonably estimated.

	Balance Beginning of Year	Charges to Costs and Expenses	Other	Deductions	Balance End of Year
Year Ended April 30, 2010	$ 79	6	-	(6)	$ 79
Year Ended April 30, 2009	$ 54	5	25(1)	(5)	$ 79
Year Ended April 30, 2008	$ 54	20	-	(20)	$ 54

(1) Includes a warranty obligation of an acquired business (See Note 2).

Use of Estimates

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

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to market data and other valuation techniques as appropriate. The Company believes that there is no material difference between the fair value and the reported amounts of financial instruments in the consolidated balance sheets.

Stock-Based Compensation

At April 30, 2010, the Company has stock-based employee and director compensation plans, which are described more fully in Note 7. New shares of the Company's common stock are issued upon exercise of stock options.

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

Our consolidated statement of operations for fiscal year ended April 30, 2010 includes $918 of compensation expense. Compensation expense is recognized in the selling, general and administrative expenses line item of the accompanying consolidated statements of operations on a ratable basis over the vesting periods. These stock option grants have been classified as equity instruments, and as such, a corresponding increase has been reflected in additional paid-in capital in the accompanying balance sheet as of April 30, 2010. In fiscal 2009 and fiscal 2008, stock-based compensation expense totaled $533 and $297, respectively. A corresponding increase of $533 is reflected in additional paid-in capital in fiscal 2009's balance sheet. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option pricing model.

Excess tax benefits are reported as a financing cash inflow. The Company had $81 of excess tax benefits in fiscal 2008.

A summary of option activity under the plans for the fiscal year ended April 30, 2010 is as follows:

	Shares	Weighted average exercise price	Weighted average remaining contractual life	Aggregate intrinsic value(1)
Balance April 30, 2009	1,257,675	$4.53	4.37	$ 4
Granted	1,039,500	$2.55	-	-
Exercised	(49,125)	$2.41	-	-
Expired	(301,250)	$6.14	-	-
Balance April 30, 2010	1,946,800	$3.25	6.38	$ 175
Exercisable April 30, 2010	801,800	$4.23	3.56	$ 158

(1) These amounts represent the difference between the exercise price and $2.38, the closing price of Dataram common stock on April 30, 2010 as reported on the NASDAQ Stock Market, for all in-the-money options outstanding. For exercised options, intrinsic value represents the difference between the exercise price and the closing price of Dataram common stock on the date of exercise.

Total cash received from the exercise of options in fiscal 2010 was $118. During fiscal 2010, 346,500 options completed vesting. As of April 30, 2010, there was $1.0 million of total unrecognized compensation expense related to stock options. This expense is expected to be recognized over a weighted average period of approximately twenty-two months. At April 30, 2010, an aggregate of 12,927 shares were authorized for future grant under the Company's stock option plans.

The fair value of each stock option granted during the year is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2010	2009	2008
Expected life (years)	3.0 to 6.0	5.0 to 10.0	4.0
Expected volatility	56%	110%	110%
Expected dividend yield	-	-	7.2%
Expected forfeiture rate	5.0%	5.0%	5.0%
Risk-free interest rate	1.6% to 2.8%	4.0%	5.0%
Weighted average fair value of options granted during the year	$ 2.55	$ 2.36	$ 1.81

The expected life in fiscal year 2010 represents the period that the Company's stock-based awards are expected to be outstanding and was calculated using the simplified method pursuant to SEC Staff Accounting Bulletin (SAB) Nos. 107 and 110. Expected life for fiscal years 2009 and 2008, is based on the Company's historical experience of option exercises relative to option contractual lives. Expected volatility is based on the historical volatility of the Company's common stock using the daily closing price of the Company's common stock, pursuant to SAB 107. Expected dividend yield assumes the current dividend rate remains unchanged. Expected forfeiture rate is based on the Company's historical experience. The risk-free rate is based on the rate of U.S Treasury zero-coupon issues with a remaining term equal to the expected life of the option grants.

(2) Acquisition

On March 31, 2009, the Company acquired certain assets of Micro Memory Bank, Inc. (MMB), a privately held corporation. MMB is a manufacturer of legacy to advanced solutions in laptop, desktop and server memory products. The acquisition expands the Company's memory product offerings and routes to market. The Company purchased the assets from MMB for total consideration of approximately $2,253 of which approximately $912 was paid in cash. The Company also assumed certain accounts payable totaling approximately $190 and certain accrued liabilities totaling approximately $122. Under the terms of the agreement with MMB, the remaining portion of the purchase price is contingently payable based upon the performance of the new Dataram business unit to be operated as a result of the acquisition (the Unit) and consists of a percentage, averaging 65%, payable quarterly, over the four year period from date of acquisition, of earnings before interest, taxes, depreciation and amortization of the Unit. The net assets acquired by the Company were recorded at their respective fair values under the purchase method of accounting. The results of operations of MMB for the period from the acquisition date, March 31, 2009, through April 30, 2010 have been included in the consolidated results of operations of the Company.

The following unaudited pro forma financial information presents the combined results of operations of the Company for the year ended April 30, 2009 as if the acquisition had occurred at May 1, 2008. The pro forma financial information does not necessarily reflect the results of operations that would have occurred had the Company been a single entity during this period.

	Fiscal year ended April 30, 2009
Revenues	$37,814
Net loss	($2,929)
Basic and diluted loss per share	($0.33)

The total consideration of the acquisition has been allocated to the fair value of the assets of MMB as follows:

Accounts receivable	$ 478
Machinery and equipment	200
Deposits	16
Trade names	733
Customer relationships	758
Non-compete agreement	68
Gross assets acquired	2,253
Liabilities assumed	312
Net assets acquired	$ 1,941

The Company estimates that it has no significant residual value related to its intangible assets. Acquired intangibles generally are amortized on a straight-line basis over weighted average lives. Intangible assets amortization expense was $637 and $55 for fiscal 2010 and fiscal year 2009, respectively, and nil for fiscal year 2008. The components of finite-lived intangible assets acquired during fiscal year 2009 are as follows:

	Gross Carrying Amount	Weighted Average Life	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 758	2 Years	$ 515	$ 243
Trade names	733	5 Years	158	575
Non-compete agreement	68	4 Years	19	49
	$ 1,559		$ 692	$ 867

The following table outlines the estimated future amortization expense related to intangible assets:

Year ending April 30:

2011	$ 407
2012	164
2013	162
2014	134
	$ 867

The contingent purchase price amount for the acquisition in the fiscal year ended April 30, 2010 totaled $1,736 of which $754 is recorded as an addition to goodwill in the fiscal year ended April 30, 2010. Following are details of the changes in our goodwill balances during the fiscal years ended April 30, 2010 and 2009:

	Fiscal year ended April 30, 2010	Fiscal year ended April 30, 2009
Beginning balance	$ -	$ -
Contingently payable acquisition purchase price	754	-
Ending balance	$ 754	$ -

None of the amounts recorded as goodwill are expected to be deductible for tax purposes. We test goodwill for impairment annually on March 1, using a fair value approach.

(3) Long-Term Debt

On June 21, 2004, the Company entered into a credit facility with a bank, which provided for up to a $5 million revolving credit line. The Company was required to pay a fee equal to one-eighth of one percent per annum on the unused commitment. There have been no borrowings against the credit line. On February 23, 2009, the Company canceled this agreement.

(4) Related Party Transactions

During fiscal 2010 and 2009, the Company purchased inventories for resale totaling approximately $4,976 and $727, respectively from Sheerr Memory, LLC (Sheerr Memory). Sheerr Memory's owner is employed by the Company as the general manager of the acquired MMB business unit described in Note 2 and is an executive officer of the Company. When the Company acquired certain assets of MMB, it did not acquire any of its inventory. However, the Company informally agreed to purchase such inventory on an as needed basis, provided that the offering price was a fair market value price. The inventory acquired was purchased subsequent to the acquisition of MMB at varying times and consisted primarily of raw materials and finished goods used to produce products sold by the MMB business unit. Approximately $400 and $560, respectively, of accounts payable in the Company's consolidated balance sheets as of April 30, 2010 and 2009 is payable to Sheerr Memory. Sheerr Memory offers the Company trade terms of net 30 days and all invoices are settled in the normal course of business. No interest is paid. The Company has made further purchases from Sheerr Memory subsequent to April 30, 2010 and management anticipates that the Company will continue to do so, although the Company has no obligation to do so.

On February 24, 2010, the Company entered into a Note and Security Agreement ("Agreement") with Sheerr Memory's owner. Under the Agreement, the Company borrowed the principal sum of $1,000,000 for a period of six months, which the Company can extend for an additional three months without penalty. The loan bears interest at the rate of 5.25%. Interest is payable monthly, and the entire principal amount is payable in the event of the employee's termination of employment by the Company. The loan is secured by a security interest in all machinery, equipment and inventory of Dataram at its Montgomeryville, PA location.

(5) Subsequent Event

On July 27, 2010, the Company entered into a credit facility with a bank, which provides for up to a $5,000 revolving credit line. Advances under the facility are due on demand and are limited to 80% of eligible receivables, as defined in the agreement. The agreement does not have a fixed term. The agreement provides for Prime Rate loans at an interest rate equal to the Prime Rate plus two percent, subject to minimum interest rate of five and one quarter percent. The Company is required to pay a monthly maintenance fee equal to six-tenths of one percent (0.6%) of the monthly average principal balance of any borrowings under the facility in the prior month. The agreement contains certain restrictive covenants, specifically a minimum tangible net worth covenant and certain other covenants, as defined in the agreement.

On July 27, 2010, the Company entered into an agreement with Sheerr Memory (See Note 4) to consign a formula based amount of up to $3,000 of certain inventory into the Company's manufacturing facilities.

(6) Income Taxes

Income tax expense (benefit) for the years ended April 30 consists of the following:

	2010	2009	2008
Current:			
Federal	$ -	$ -	$ 75
State	29	-	267
	29		342
Deferred:			
Federal	3,216	(1,595)	678
State	366	(407)	13
	3,582	(2,002)	691
Total income tax expense (benefit)	$ 3,611	$(2,002)	$ 1,033

The actual income tax expense (benefit) differs from "expected" tax expense (benefit) (computed by applying the U. S. corporate tax rate of 34% in 2010 and 35% in 2009 and 2008 to earnings before income taxes) as follows:

	2010	2009	2008
Computed "expected" tax expense (benefit)	$(2,425)	$ (1,798)	$ 924
State income taxes(net of Federal income tax benefit)	395	(269)	173
Other	(138)	65	(64)
Total income tax expense (benefit) before provision for valuation allowance	(2,168)	(2,002)	1,033
Provision for valuation allowance	5,779	-	-
Total income tax expense (benefit)	$ 3,611	$(2,002)	$ 1,033

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	2010	2009
Deferred tax assets:		
Compensated absences and severance, principally due to accruals for financial reporting purposes	$ 96	$ 139
Stock-based compensation expense	838	493
Accounts receivable, principally due to allowance for doubtful accounts and sales returns	98	113
Property and equipment, principally due to differences in depreciation	(27)	(40)
Intangible assets	288	63
Inventories	217	94
Foreign tax credit	53	53
Domestic net operating losses	4,488	2,142
Alternative minimum tax	438	438
Other	73	87
Net deferred tax assets	6,562	3,582
Valuation allowance	(6,562)	-
Net deferred tax assets	$ 0	$ 3,582

The Company recorded a valuation allowance of $6,562 and $0,for the fiscal years ended April 30, 2010 and April 30, 2009.

The Company has Federal and State net operating loss carryforwards of approximately $11,491 and $9,685, respectively. These can be used to offset future taxable income and expire between 2023 and 2030 for Federal tax purposes and 2016 and 2030 for State tax purposes. The tax benefit of net operating loss carryforwards utilized in each of the three years ended April 30, 2010 is as follows:

	Federal	State	Total
2010	$ - -	$ - -	$ -
2009	$ - -	$ - -	$ -
2008	$2,208	$ - -	$2,208

(7) Stock Option Plans

The Company has a 1992 incentive and non-statutory stock option plan for the purpose of permitting certain key employees to acquire equity in the Company and to promote the growth and profitability of the Company by attracting and retaining key employees. In general, the plan allowed granting of up to 2,850,000 shares, adjusted for stock splits, of the Company's common stock at an option price to be no less than the fair market value of the stock on the date such options are granted. Under option agreements granted under the plan, the holder of the option may purchase 20% of the common stock with respect to which the option has been granted on or after the first anniversary of the date of the grant and an additional 20% of such shares on or after each of the four succeeding anniversary dates. At April 30, 2010, 12,000 of the outstanding options are exercisable. No further options may be granted under this plan.

The Company also has a 2001 incentive and non-statutory stock option plan for the purpose of permitting certain key employees to acquire equity in the Company and to promote the growth and profitability of the Company by attracting and retaining key employees. In general, the plan allows granting of up to 1,800,000 shares of the Company’s common stock at an option price to be no less than the fair market value of the Company’s common stock on the date such options are granted. Currently, options granted under the plan vest ratably on the annual anniversary date of the grants. Vesting periods for options currently granted under the plan range from one to five years. At April 30, 2010, 609,800 of the outstanding options are exercisable.

The status of the plans for the three years ended April 30, 2010, is as follows:

	Options Outstanding		
	Shares	Exercise price per share	Weighted average exercise price
Balance April 30, 2007	1,012,066	2.813-24.250	5.150
Granted	95,000	3.330	3.330
Exercised	(292,464)	2.813	2.813
Expired	(151,602)	2.813-24.250	5.553
Balance April 30, 2008	663,000	2.813-24.250	5.828
Granted	412,000	1.280-3.200	2.405
Exercised	-	-	-
Expired	(109,325)	1.990-7.9800	4.738
Balance April 30, 2009	965,675	$ 1.280-24.250	$ 4.491
Granted	899,500	1.530-2.650	2.549
Exercised	(17,125)	1.990-4.090	2.576
Expired	(221,250)	1.990-24.250	6.303
Balance April 30, 2010	1,626,800	$ 1.280-24.250	$ 3.191

The Company periodically grants nonqualified stock options to non-employee directors of the Company. These options are granted for the purpose of retaining the services of directors who are not employees of the Company and to provide additional incentive for such directors to work to further the best interests of the Company and its shareholders. The options granted to these non-employee directors are exercisable at a price representing the fair value at the date of grant, and expire either five or ten years after date of grant. Vesting periods for options currently granted under the plan range from one to two years. At April 30, 2010, 180,000 of the outstanding options are exercisable.

The status of the non-employee director options for the three years ended April 30, 2010, is as follows:

	Options Outstanding		
	Shares	Exercise price per share	Weighted average exercise price
Balance April 30, 2007	196,000	2.990-7.980	5.965
Granted	40,000	3.330	3.330
Exercised	-	-	-
Expired	-	-	-
Balance April 30, 2008	236,000	2.990-7.980	5.304
Granted	56,000	1.990	1.990
Exercised	-	-	-
Expired	-	-	-
Balance April 30, 2009	292,000	$ 1.990-7.980	$ 4.668
Granted	140,000	2.570	2.570
Exercised	(32,000)	1.990-3.330	2.325
Expired	(80,000)	2.990-7.980	5.672
Balance April 30, 2010	320,000	$ 1.990-7.980	$ 3.734

Other Stock Option Expense

During fiscal 2009's first quarter, the Company granted options to purchase 50,000 shares of the Company's common stock to a privately held company in exchange for certain patents and other intellectual property. The options granted are exercisable at a price representing the fair value at the date of grant, are 100% exercisable on the date of grant and expire ten years after date of grant. The calculated fair value of these options is approximately $121 and was determined using the Black-Scholes option pricing model based upon the market price of the underlying common stock as of the date of grant, reduced by the present value of estimated future dividends, using an expected quarterly dividend rate of zero, an expected forfeiture rate of zero, a calculated volatility factor of 110% and a risk-free interest rate of 4.0%. Such calculated fair value has been charged in its entirety to the research and development expense line item in the accompanying consolidated statement of operations for this grant as of April 30, 2009. These stock option grants have been classified as equity instruments, and as such, a corresponding increase of $121 has been reflected in additional paid-in capital in the accompanying consolidated balance sheet as of April 30, 2009.

(8) Accrued Liabilities

Accrued liabilities consist of the following at April 30:

	2010	2009
Contingently payable acquisition purchase price (See Note 2)	$ 788	$ 648
Payroll, including vacation	334	490
Severance costs	-	174
Commissions	130	42
Bonuses	275	-
Other	211	335
	$ 1,738	$ 1,689

(9) Commitments and Contingencies

Leases

The Company and its subsidiaries occupy various facilities and operate various equipment under operating lease arrangements. Rent charged to operations pursuant to such operating leases amounted to approximately $654 in 2010, $561 in 2009 and $655 in 2008.

Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of April 30, 2010 are as follows:

	Operating leases
Year ending April 30:	
2011	$ 387
2012	34
Thereafter	-
	$ 421

Purchases

At April 30, 2010, the Company had open purchase orders outstanding totaling $5.5 million primarily for inventory items to be delivered in the first six months of fiscal 2011. These purchase orders are cancelable.

License Agreements

The Company has entered into certain licensing agreements with varying terms and conditions. The Company is obligated to pay royalties on certain of these agreements. Royalties charged to operations pursuant to such agreements amounted to approximately $131 in 2010, $160 in 2009 and $171 in 2008.

Legal Proceedings

The Company is involved in a patent infringement action claiming the Company utilized an allegedly patented part. Should the case continue, management intends to contest the matter vigorously, and, in the opinion of management, the outcome of the action will not have a material effect on the Company’s consolidated financial position, results of operations or liquidity. The Company is not involved in any other claim or legal action.

(10) Employee Benefit Plan

The Company has a defined contribution plan (the Plan) which is available to all qualified employees. Employees may elect to contribute a portion of their compensation to the Plan, subject to certain limitations. The Company contributes a percentage of the employee's contribution, subject to a maximum of 4.5 percent effective January 1, 2008. In prior years the Company contributed up to 6 percent of the employee's eligible compensation, based on the employee's years of service. The Company's matching contributions aggregated approximately $307, $249 and $239 in 2010, 2009 and 2008, respectively.

(11) Revenues by Geographic Location

The Company operates in one business segment and develops, manufactures and markets a variety of memory systems for use with servers and workstations which are manufactured by various companies. Revenues, total assets and long lived assets for 2010, 2009 and 2008 by geographic region is as follows:

	United States	Europe	Other*	Consolidated
April 30, 2010				
Revenues	$ 35,566	$ 4,484	$ 3,970	$ 44,020
Total assets	$ 17,511	$ 133	$ 9	$ 17,653
Long lived assets	$ 2,738	$ 0	$ 0	$ 2,738
April 30, 2009				
Revenues	$ 19,088	$ 4,793	$ 2,016	$ 25,897
Total assets	$ 24,416	$ 106	$ 33	$ 24,555
Long lived assets	$ 2,604	$ 0	$ 0	$ 2,604
April 30, 2008				
Revenues	$ 22,270	$ 5,875	$ 2,748	$ 30,893
Total assets	$ 26,030	$ 78	$ 2	$ 26,110
Long lived assets	$ 686	$ 0	$ 0	$ 686

*Principally Asia Pacific Region

(12) Quarterly Financial Data (Unaudited)

	Quarter Ended			
Fiscal 2010	July 31	October 31	January 31	April 30
Revenues	$ 9,190	$10,673	$12,284	$11,873
Gross profit	2,535	2,737	3,385	2,955
Net loss	(978)	(1,616)	(6,538)	(1,611)
Net loss per diluted common share	(.11)	(.18)	(.74)	(.18)

	Quarter Ended			
Fiscal 2009	July 31	October 31	January 31	April 30
Revenues	$ 7,563	$ 7,059	$ 5,635	$ 5,639
Gross profit	2,628	2,399	1,739	1,688
Net loss	(606)	(393)	(1,024)	(1,112)
Net loss per diluted common share	(.07)	(.04)	(.12)	(.13)

Earnings (loss) per share is calculated independently for each quarter and, therefore, may not equal the total for the year.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Dataram Corporation:

We have audited the accompanying consolidated balance sheets of Dataram Corporation and Subsidiaries as of April 30, 2010 and 2009, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended April 30, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dataram Corporation and Subsidiaries as of April 30, 2010 and 2009, and their results of operations and cash flows for each of the years in the three-year period ended April 30, 2010 in conformity with accounting principles generally accepted in the United States of America.

J.H. Cohn LLP
Lawrenceville, New Jersey
July 29, 2010

Selected Financial Data

(Not covered by Independent Registered Public Accounting Firm’s Reports)
(In thousands, except per share amounts)

Years Ended April 30,	2010	2009	2008	2007	2006
Revenues	$ 44,020	$ 25,897	$ 30,893	$ 38,404	$ 41,795
Net earnings (loss)	(10,743)	(3,135)	1.608	770	2,772
Basic earnings (loss) per share	(1.21)	(.35)	.18	.09	.33
Diluted earnings (loss) per share	(1.21)	(.35)	.18	.09	.31
Current assets	14,810	18,533	24,865	23,893	24,108
Total assets	17,653	24,555	26,110	25,905	26,236
Current liabilities	6,261	3,075	2,491	2,573	2,710
Total stockholders' equity	11,392	21,099	23,619	23,332	23,526
Cash dividends paid	-	-	2,114	2,055	1,773

DIRECTORS AND CORPORATE OFFICERS

Directors

John H. Freeman
President and Chief Executive Officer
of Dataram Corporation

Thomas A. Majewski*
Principal, Walden Inc.

Roger C. Cady*
Principal, Arcadia Associates

Rose Ann Giordano*
President, Thomis Partners

*Member of audit committee

Corporate Officers

John H. Freeman
President and Chief Executive Officer

Mark E. Maddocks
Vice President, Finance and
Chief Financial Officer

Jeffrey H. Duncan
Vice President of Manufacturing
and Engineering

David A. Sheerr
General Manager, Micro Memory Bank

Anthony M. Lougee
Controller

Thomas J. Bitar
Secretary
Member, Dillon, Bitar & Luther, L.L.C.

Corporate Headquarters

Dataram Corporation
186 Princeton Road (Route 571)
West Windsor, NJ 08550
609-799-0071

Auditors

J.H. COHN LLP
Lawrenceville, NJ

General Counsel

Dillon, Bitar & Luther, L.L.C.
Morristown, NJ

Transfer Agent and Registrar

American Stock Transfer and Trust Company
10150 Mallard Creek Drive
Suite 307
Charlotte, NC 28262

Stock Listing

Dataram's common stock is listed on
the NASDAQ with the trading symbol DRAM.

Annual Meeting

The annual meeting of shareholders
will be held on Thursday, September 23,
2010, at 11:00 a.m. at Dataram's
corporate headquarters at:
186 Princeton Road (Route 571)
West Windsor, NJ 08550

Form 10-K

A copy of the Company's Annual Report
on Form 10-K filed with the Securities
& Exchange Commission is available
without charge to shareholders.

Address requests to:

Vice President, Finance
Dataram Corporation
186 Princeton Road (Route 571)
West Windsor, NJ 08550

Corporate Headquarters
Dataram Corporation
186 Princeton Road (Route 571)
West Windsor, NJ 08550
Toll Free: 800-DATARAM
Phone: 609-799-0071
Fax: 609-799-6734
www.dataram.com

Exhibit 23(a)

We consent to the incorporation by reference in the Registration Statement (No. 33-56282) on Form S-8 of Dataram Corporation and of our report dated July 29, 2010, relating to the consolidated balance sheets of Dataram Corporation and Subsidiaries as of April 30, 2010 and 2009, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended April 30, 2010 which report appears in the April 30, 2010 Annual Report on Form 10-K of Dataram Corporation.

/s/ J.H. COHN LLP

Lawrenceville, New Jersey
July 29, 2010

Exhibit 31(a)

Rule 13a-14(a) Certification

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302

I, John H. Freeman, certify that:

1. I have reviewed this annual report on Form 10-K of Dataram Corporation;

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

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

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

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

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

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

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

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

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

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

Date: July 29, 2010 /s/ John H. Freeman

John H. Freeman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31(b)

Rule 13a-14(a) Certification

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302

I, Mark E. Maddocks, certify that:

1. I have reviewed this annual report on Form 10-K of Dataram Corporation;

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

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

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

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

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

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

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

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

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

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

Date: July 29, 2010 /s/ Mark E. Maddocks

Mark E. Maddocks
Vice President, Finance
(Principal Financial & Accounting Officer)

Exhibit 32(a)

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

In connection with the Annual Report of Dataram Corporation, a New Jersey corporation (the "Company"), on Form 10-K for the year ended April 30, 2010, as filed with the Securities and Exchange Commission (the "Report"), John H. Freeman, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

July **29**, 2010 /s/ John H. Freeman

John H. Freeman
President and Chief Executive Officer

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

Exhibit 32(b)

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

In connection with the Annual Report of Dataram Corporation, a New Jersey corporation (the “Company”), on Form 10-K for the year ended April 30, 2010, as filed with the Securities and Exchange Commission (the “Report”), Mark E. Maddocks, Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

July 29, 2010 /s/ Mark E. Maddocks

Mark E. Maddocks
Vice President, Finance and Chief Financial Officer

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