



**INTERNETARRAY, INC.
QUARTERLY REPORT
For The Period Ended March 31, 2012**

Safe Harbor Disclosure:

This document includes “forward-looking statements” within the meaning of the federal securities laws, commonly identified by such terms as “believes,” “looking ahead,” “anticipates,” “estimates,” and other terms with similar meaning. Although the Company believes that the assumptions upon which its forward-looking statements are based are reasonable, it can give no assurance that these assumptions will prove to be correct. Important factors that could cause actual results to differ materially from the Company’s projections and expectations are disclosed in the Company’s documents posted with the OTC Markets. All forward-looking statements in this document are expressly qualified by such cautionary statements and by reference to the underlying assumption.

Item I. The exact name of the issuer and the address of the principal executive offices
InternetArray, Inc. (formerly “U.S. MedSys Corp.” until September 10, 2008)

Address of Issuer’s Principal Offices:
7954 Transit Road, #232,
Williamsville, NY 14221-4117
(646) 863-7220

Our website is www.internetarray.com

Item 2. Number of Shares Outstanding

Common Stock, par value \$.0001 – The Company is authorized to issue 19,900,000,000 shares of common stock.

Preferred Stock, \$.0001 par value – The Company is authorized to issue 10,000,000 shares of preferred stock. No preferred stock is issued and outstanding.

Common Stock

	<u>December 31, 2011</u>
Shares authorized	19,990,000,000
Shares outstanding	1,411,217,752
Public Float:	52,638,032
Beneficial shareholders	2
Shareholders of record	1,069 (est.)

	<u>March 31, 2012</u>
Shares authorized	19,990,000,000
Shares outstanding	1,447,382,863
Public Float:	97,638,032
Beneficial shareholders	2
Shareholders of record	1,000 (est.)

Item 3. Interim Financial Statements

The following financial information covers the company's most recent fiscal period ending March 31, 2012:

INTERNETARRAY, INC.
CONSOLIDATED BALANCE SHEETS
THREE MONTH PERIOD ENDING
MARCH 31, 2012 AND THE YEAR ENDING DECEMBER 31, 2011
(UNAUDITED)

ASSETS	3/31/12	12/31/11
CURRENT ASSETS		
Cash	\$ 16,521	\$ 2,546
Accounts receivable	27,124	83,549
Other Current Assets	77,363	21,638
Total Current Assets	121,007	107,733
Fixed Asset, net of depreciation	315	315
Intangible Assets	250,234	250,234
	250,549	250,549
TOTAL ASSETS	\$ 371,556	\$ 358,282
LIABILITIES AND SHAREHOLDERS' EQUITY/(DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 18,174	\$ 15,492
Other Current Liabilities	1,728,758	1,706,674
TOTAL CURRENT LIABILITIES	1,746,932	1,722,166
TOTAL LONG TERM LIABILITIES		
Notes payable	2,975,450	3,095,450
TOTAL LIABILITIES	4,722,382	4,817,616
SHAREHOLDERS' EQUITY/(DEFICIT)		
Preferred Stock, \$0.0001 par value 10,000,000 authorized preferred shares	-	-
Common Stock, \$0.0001 par value; 19,900,000,000 authorized, 1,447,382,863 and 1,411,217,752 shares issued and outstanding at March 31, 2011 and December 31, 2011 respectively, giving effect to the 2500 to 1 reverse split	18,289	14,678
Additional paid in capital	14,401,925	14,390,886
Accumulated Deficit	(18,771,039)	(18,864,897)
TOTAL SHAREHOLDERS' EQUITY/(DEFICIT)	(4,350,825)	(4,459,333)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 371,556	\$ 358,282

The accompanying notes are an integral part of these financial statements

INTERNETARRAY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended	
	03/31/12	03/31/11
TOTAL REVENUE	\$ 234,535	\$ 147,81
GROSS PROFIT	234,535	147,81
OPERATIONS	52,957	76,68
GENERAL & ADMINSTRATIVE	23,824	22,56
SALES & MARKETING	4,387	40
TOTAL OPERATING EXPENSES	81,168	99,65
INCOME/(LOSS) FROM OPERATIONS BEFORE OTHER EXPENSES	153,367	48,16
TOTAL OTHER EXPENSES		
Interest expense	59,509	67,28
NET INCOME/(LOSS)	\$ 93,858	\$ (19,12)

The accompanying notes are an integral part of these financial statements

INTERNETARRAY, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS EQUITY (DEFICIT)
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2012 AND THE YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)

	Common stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance, December 31, 2008	379	\$ 1	\$ 11,981,294	\$ (17,075,362)	\$ (5,094,000)
Common stock issued for note conversion	1,602,200	160	610,526		610,686
Common stock issued for acquisition	40,000	4	-		
Common stock issued for Special Distribution	68,822	7			
Net Income				240,043	240,043
Balance, December 31, 2009	1,711,401	\$ 172	\$ 12,591,820	\$ (16,835,319)	(4,243,327)
Common stock issued for note conversion	4,160,000	\$ 416	\$ 1,108,116		1,108,532
Common stock issued for services	400,000	40			
Net Loss				(1,712,025)	(1,712,025)
Balance, December 31, 2010	6,271,401	\$ 628	\$ 13,699,936	\$ (18,547,344)	\$ (4,846,780)
Common stock issued for services	500,000,000	\$ 5,000	\$ 144,388		149,388
Common stock issued for note conversion	905,000,000	\$ 9,050	\$ 546,562		555,612
Net Loss				\$ (317,553)	(317,553)
Balance, December 31, 2011	1,411,271,401	\$ 14,678	\$ 14,390,886	\$ (18,864,897)	\$ (4,459,333)
Common Stock issues for cash	36,111,111	\$ 3,611	\$ 11,039		\$ 14,660
Common stock adjustment	351	-	-		
Net Income				\$ 93,858	\$ 93,858
Balance March 31, 2012	<u>1,447,382,863</u>	<u>\$ 18,289</u>	<u>\$ 14,401,925</u>	<u>\$ (18,771,039)</u>	<u>\$ (4,350,825)</u>

The notes are an integral part of these financial statements

INTERNETARRAY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For The Three Month Period Ended 03/31/12
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income/(Loss)	\$ 93,858
Adjustment to reconcile net loss to net cash used in operating activities	
Depreciation	-
(Increase) Decrease in:	
Accounts Receivable	56,425
Other Current Assets	(55,724)
Intangible Assets	-
Increase (Decrease) in:	
Accounts Payable	2,682
Accrued expenses	22,084
	119,325
NET CASH PROVIDED/(USED) IN OPERATING ACTIVITIES	119,325
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of equipment	-
	-
NET CASH (USED) IN FINANCING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES:	
Reduction in Debenture Payable,Net	(130,000)
Proceeds from notes payable	10,000
Advance from shareholder	-
Stock Issued for Cash	14,650
	(105,350)
NET CASH PROVIDED/(USED) IN FINANCING ACTIVITIES	(105,350)
NET INCREASE/(DECREASE) IN CASH	13,975
CASH, BEGINNING OF PERIOD	2,546
CASH, END OF PERIOD	\$ 16,521
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
	\$ -

The accompanying notes are an integral part of these financial statements

INTERNETARRAY, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2012

1. ORGANIZATION AND LINE OF BUSINESS

Organization

InternetArray, Inc., was newly organized on August 27, 2008, pursuant to a shareholder approval authorizing a name change and change of domicile at a special shareholder meeting held on September 10, 2008. The Company was originally organized as a Colorado corporation under the name Prime Rate Income & Dividend Enterprises, Inc., on May 1, 1995. The Company's name was subsequently changed on March 29, 2004 to U.S. MedSys Corp., as a result of a merger with a wholly-owned subsidiary by the same name that had been acquired previously on November 12, 2002. InternetArray, Inc., now operates as an internet-based development company. The Company's business is developing collaborative business partners providing financing, marketing exposure, management consulting, operational support and strategic advice.

Going Concern

The accompanying financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company does not generate significant revenue, and has negative cash flows from operations, which raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern and appropriateness of using the going concern basis is dependent upon, among other things, additional cash infusion. Management believes the existing shareholders and the prospective new investors will provide the additional cash needed to meet the Company's obligations as they become due, and will allow the development of its core of business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of InternetArray, Inc. are presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Principles of Consolidation

The accompanying unaudited consolidated financial statements of the Company include the accounts of its subsidiaries. In the opinion of management all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial statements for the years herein have been made.

Accounts receivable

The Company does not have any uncollectible accounts and there were no doubtful accounts for the three month period ended March 31, 2012 and for the year ended December 31, 2011, respectively.

Revenue Recognition

The Company recognizes revenue when there is persuasive evidence of an arrangement, delivery has occurred, the fee is determinable, collectability is reasonably assured and there are no significant remaining performance obligations.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

INTERNETARRAY, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements. Significant estimates made in preparing these financial statement. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, and are depreciated using the straight line and modified accelerated cost recovery system (macrs) method over 3-10 years.

Intangible Assets

Valuation of intangible assets include significant estimates and assumptions such as estimating future cash flows from sales, developing appropriate discount rates, estimating probability rates for successful completing of projects, continuation of customer relationships and renewal of customer contracts, and approximating the useful life of the intangible assets acquired.

Fair Value of Financial Instruments

As of March 31, 2012 and December 31, 2011 respectively, the amounts reported for cash, accounts receivable, accounts payable, accrued interest and other expenses, and notes payable approximate the fair value because of their short maturities.

Income Taxes

The Company uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards. The measurement of deferred tax assets and liabilities is based on provisions of applicable tax law. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance based on the amount of tax benefits that, based on available evidence is not expected to be realized.

Recently Issued Accounting Pronouncements

The company has evaluated recent accounting pronouncements and their adoption has not had or is not expected to have a material impact on the Company's financial position or statements.

3. CAPITAL STOCK

At March 31, 2012, the Company's authorized stock consists of 19,900,000,000 shares of common stock, par value \$0.0001 per share, and 10,000,000 shares of preferred stock, par value of \$0.0001. At March 31, 2012 and December 31, 2011, respectively, the Company had 1,447,382,863 and 1,411,271,752 shares of common stock issued and outstanding.

On March 14, 2011 the Company completed a 2500 to 1 reverse stock split of its common stock. Previously, effective January 16, 2009, the Company completed a 1000 to 1 reverse stock split.

During the year ended December 31, 2009, the Company issued 1,602,200 shares of common stock, for partial conversion of the Convertible Debenture, 40,000 shares of common stock in exchange for the Company's interest in Noobis, Inc., and 68,822 shares of common stock for the Special Stock Distribution for shareholders of record as of August 31, 2009, in each case the number of shares are recorded as giving effect to the reverse split that was effective March 14, 2011 retroactively.

INTERNETARRAY, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2012

3. CAPITAL STOCK (continued)

During the year ended December 31, 2010, the Company issued 4,160,000 shares of common stock, for partial conversion of the Convertible Debenture, and 400,000 shares of common stock in exchange services to the Company's President. In each case the shares are recorded as giving effect to the reverse split that was effective March 14, 2011 retroactively. (See Note 4. "NOTES PAYABLE" and NOTE 6. "RELATED PARTY TRANSACTIONS.")

During the year ended December 31, 2011, the Company issued 905,000,000 shares of common stock, for partial conversion of the Convertible Debenture, and 500,000,000 shares of common stock in exchange services to the Company's President. In each case the shares are recorded as issued after giving effect to the reverse split that was effective March 14, 2011. (See Note 4. "NOTES PAYABLE" and NOTE 6. "RELATED PARTY TRANSACTIONS.")

In February 2012, the Company issued 36,111,111 shares in exchange for \$14,650 in cash.

4. NOTES PAYABLE

On June 30, 2006, the Company's predecessor, U.S. MedSys Corp., issued a Convertible Debenture at eight (8%) per annum for \$5,000,000 in cash received by U.S. MedSys Corp, between April 2, 2005 and March 31, 2006.

Interest payments were due semi-annually, beginning September 1, 2006, on which U.S. MedSys Corp., defaulted and remained in default until July 30, 2008, when an Agreement of Settlement was entered into by which the interest rate was increased from eight (8%) per cent per annum up to June 11, 2007 and twelve (12%) percent per annum thereafter. As a further term of default the Noteholder accelerated the Convertible Debenture to collect the full principal and interest of \$5,000,000 in principal and \$1,095,692.00 due as of July 31, 2008, (interest computed at 8% per annum up to June 11, 2007 and 12% percent per annum thereafter.

The Agreement of Settlement entered into on July 30, 2008 required the Company to make one \$50,000 payment and sixty \$100,000 payments and one final payment of forty-five thousand six hundred ninety two dollars (\$45,692.00),

On September 1, 2008, the Company informed the Noteholder that September 1, 2008 payment would not be forthcoming. As a result and per the Agreement of Settlement, an Affidavit of Confession of Judgment in the amount of \$6,095,692 was executed and filed with the New York Superior Court.

From April 2009 through October 2009, the Company issued a promissory notes, all with conversion features at eight percent (8%) per annum in exchange for \$215,000.00, cash received. The conversion price is determined based upon the price of the Company's common stock as quoted by OTC Markets at the time of conversion. \$130,000, plus accrued interest were of the interest of the notes were forgiven and repayment was waived.

In March, 2011, the Company agreed to convert \$150,000 received from Casprey Corp., under the terms of a promissory note dated January 31, 2010, into 500,000,000 shares of the Company's restricted common stock.

On February, 2012 the Company issued a promissory note with conversion features at eight percent (8%) per annum in exchange for \$10,000.00 cash received. The conversion price is determined based upon the price of the Company's common stock as quoted by OTC Markets at the time of conversion.

INTERNETARRAY, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
MARCH 31, 2012

5. INCOME TAXES

The Company records its federal and state income tax liability as it is incurred.

6. RELATED PARTY TRANSACTIONS

The Company issued 400,000 shares of its common stock on April 6, 2010, and 500,000,000 shares on March 30, 2011, both is lieu of compensation for services as an officer and director of the Company. The cost to the Company for the March 2011 issuance of 500,000,000 shares is amortized over a three-year period. (See Note 3 CAPITAL STOCK.)

Item 4. Management's Discussion and Analysis or Plan of Operation

Except for historical information contained in this report, the matters discussed are forward-looking statements that involve risks and uncertainties. When used in this report,

The financial information furnished herein has been prepared internally by management, and has not been reviewed by an independent accountant; however, in the opinion of management all adjustments (only consisting of normal recurring accruals necessary for a fair representation of the results of operations for the three month periods ended March 31, 2012 and March 31, 2011 respectively have been included.

Results of Operations.

Three Months Ended March 31, 2012 and March 31, 2011

Revenue

The Company's business plan execution continues with a primary focus on sales and services while continuing its new venture developments. Net revenues for the three months ended March 31, 2012 and March 31, 2011 were \$234,535 and \$147,817 respectively, which represent an increase of \$86,718 in total revenue. The increase in total revenue was the result of an increase in Other Income that was offset by an increase of \$56,161 in all other revenues. We reported net income of \$93,585 for the three months ended March 31, 2012 as compared to a net loss of \$19,122 for the three months ended March 31, 2011.

Operations Expenses

Operations expenses for the three months ended March 31, 2012 and March 31, 2011 were \$52,957 and \$76,686 respectively, reflecting a decrease of \$23,729. This decrease resulted from cost savings derived from establishing a programming and development office in Bangladesh that now is fully engaged in development production.

General & Administrative Expenses

General and administrative expenses for the three months ended March 31, 2012 and March 31, 2011 were \$23,824 and 22,564 respectively, reflecting a modest increase of \$1,230. This increase primarily resulted from increased legal fees in the period.

Sales & Marketing

Sales and marketing expenses for the three months ended March 31, 2012 and March 31, 2011 were \$4,387 and \$400, reflecting an increase of \$3,987. This increase was incurred in the Company's sales efforts.

Interest Expense

Interest expense decreased to \$59,509 for the three months ended March 31, 2012 from \$57,289 for the three months ended March 31, 2011. Interest expense reflects interest on the notes payable of the Company that the company continues to carry.

Liquidity and Capital Resources

The consolidated unaudited financial statements do not include any adjustments relating to the recoverability and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Our continuation as a going concern is dependent upon our ability to generate sufficient cash flow to meet our obligations on a timely basis, to obtain additional financing, and ultimately to attain consistent profitability. If the Company is unable to generate future profits and is unable to continue to obtain financing for its working capital requirements, it may have to curtail its business sharply or cease business altogether.

We believe that while our cash flow from current operations can continue to fund these operations at our current level, the Company will need to seek additional outside debt or equity financing. The Company has taken certain recapitalization and restructuring steps necessary to arrange new capital. These steps included a 2500 to 1 reverse stock split that was completed March 14, 2011, preparing to raise equity capital through debt and equity financing, explore divestiture of existing operating units, revamp our acquisition strategy develop new revenue sources. There can be no assurance that we can be successful in these efforts in the future and if we are, that it will be on terms favorable to the Company.

We financed our operations for the three months ended March 31, 2012 primarily through equity and debt financing along with cash generated in operations. At March 31, 2012 we had cash on hand of \$16,451. Our cash balances increased primarily due to an increase in net receivables collected from operating activities. We also had notes payable of \$2,975,450 at March 31, 2012. During the three months ended March 31, 2012 notes payable were reduced by \$130,000.

The Company did not engage in any investing activities for the three months ended March 31, 2012 and has no associated costs.

The Issuer has no Off-Balance Sheet Arrangements.

Item 5. Legal Proceedings.

There are no changes to Legal Proceedings from our previous annual and quarterly filings. As previously disclosed, on March 2, 2006 a complaint was filed in the Hamilton Superior Court, in Hamilton County Indiana (Richard F. Thompson etal v. Anthony D. Altavilla etal,) for damages against certain former officers of our predecessor, U.S. MedSys Corp., and other individuals alleging fraud in regard to a private placement investment made by the plaintiffs in U.S. MedSys Corp. Subsequently, the complaint was amended adding U.S. MedSys Corp. The potential damages to the Company, if any, appear unclear. In the event this lawsuit goes to

trial, the Company believes it has meritorious defenses to all claims. The Company presently believes that this pending case will not have an adverse material impact upon the Company's results of operations or financial condition.

Item 6. Default Upon Senior Securities.

There is no change in the status of Default Upon Senior Securities from our previous annual and quarterly filings. As previously disclosed, on June 30, 2006, the Company's predecessor, U.S. Medsys Corp., issued a Convertible Debenture at eight (8%) per annum to Joseph Corso (the "Noteholder") for \$5,000,000 in cash received by U.S. MedSys Corp, between April 2, 2005 and March 31, 2006.

Interest payments were due semi-annually, beginning September 1, 2006, on which U.S. MedSys Corp., defaulted and remained in default until July 30, 2008, when an Agreement of Settlement was entered into by which the interest rate was increased from eight (8%) per cent per annum up to June 11, 2007 and twelve (12%) percent per annum thereafter. As a further term of default the Noteholder accelerated the Convertible Debenture to collect the full principal and interest of \$5,000,000 in principal and \$1,095,692.00 due as of July 31, 2008, (interest computed at 8% per annum up to June 11, 2007 and 12% percent per annum thereafter).

The Agreement of Settlement entered into on July 30, 2008 required the Company to make one \$50,000 payment and sixty \$100,000 payments and one final payment of forty-five thousand six hundred ninety two dollars (\$45,692.00),

In September, 2008, the Company defaulted on an Agreement of Settlement with a noteholder. As a result and per the Agreement of Settlement, an Affidavit of Confession of Judgment in the amount of \$6,095,692 was executed and filed with the Superior Court of New Jersey.

The Noteholder subsequently assigned conversion rights of the Convertible Debenture totaling \$3,250,000 between June 30, 2006 and September 30, 2008 to James Yeung as compensation in the amount of \$250,000, and continued management of the defaulted note payments.

While the default still exists, \$1,904,550 of the convertible note has been paid down.

Item 7. Other Information.

None

Item 8. Exhibits

None

Item 9. Certification

I, Michael Black certify that:

I have reviewed this quarterly disclosure statement of InternetArray, Inc.

Based on my knowledge, this disclosure statement 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 disclosure statement; and

Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: 5/21/12

/s/ Michael Black

Michael Black
President