

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 3, 2007 (June 21, 2007)



CHEMBIO DIAGNOSTICS, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of Incorporation)

0-30379

(Commission File Number)

88-0425691

(IRS Employer
Identification Number)

3661 Horseblock Road

Medford, NY 11763

(Address of principal executive offices)

631-924-1135

(Registrant's Telephone Number)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 3.02. Unregistered Sales of Equity Securities.

- (a) On July 2, 2007, as payment of dividends on the series B preferred stock, Chembio Diagnostics, Inc. (the “Company”) issued 489,998 shares of common stock to the holders of the series B preferred stock. On the same day, as payment of dividends on the series C preferred stock, the Company issued 897,896 shares of common stock to the holders of the series C preferred stock. No cash was exchanged in these issuances. The Company relied on Section 4(2) of the Securities Act of 1933 as the basis for its exemption from registration of these issuances. The investors in these issuances were accredited investors of the Company.

On June 21, 2007, the Company granted options to purchase the Company’s common stock to each of its non-employee directors. The Company granted each of Alan Carus and Dr. Gary Meller options to purchase 144,000 shares of the Company’s common stock, and accelerated the vesting date for 24,000 options which were previously granted to each of Mr. Carus and Dr. Meller. The exercise price for the 144,000 options is \$.53 per share, and 36,000 of these options vest on June 21, 2008, and 36,000 of these options will vest on the date of each of the three succeeding annual meetings of stockholders following the annual meeting of stockholders for the year ended December 31, 2007. The exercise price for the 24,000 options granted to Dr. Meller is \$.68 per share, and these options are exercisable immediately, and the exercise price for the 24,000 options granted to Mr. Carus is \$.55 per share, and these options are exercisable immediately. The Company also granted Katherine L. Davis options to purchase 180,000 shares of the Company’s common stock on June 21, 2007. The exercise price for these options is \$.53 per share, and 36,000 of these options vested on June 21, 2007, and 36,000 of these options will vest on the date of each of the four succeeding annual meetings of stockholders following the annual meeting of stockholders for the year ended December 31, 2006.

All of the options granted to the Company’s non-employee directors were granted as part of the Company’s director compensation program, and were previously reported to the Securities and Exchange Commission in Forms 4 filed on June 25, 2007. The Company relied on Section 4(2) of the Securities Act of 1933 as the basis for its exemption from registration of these issuances, and the investors in these issuances were accredited investors.

ITEM 7.01. Regulation FD Disclosure.

On June 27, 2007, the Company issued a press release titled “Chembio Anticipates Record HIV Test Revenues for First Half of 2007” included herein as Exhibit 99.1.

ITEM 9.01. Financial Statements and Exhibits.

- (d) Exhibits.

99.1 Press Release titled “[Chembio Anticipates Record HIV Test Revenues for First Half of 2007](#)” issued June 27, 2007.

In accordance with General Instruction B.2 of Form 8-K, the information disclosed in Item 7.01 and Exhibit 99.1 attached to this current report on Form 8-K shall not be deemed “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing. This current report on Form 8-K does not constitute a determination of whether any information included herein is material.

SIGNATURES

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

Date: July 3, 2007

Chembio Diagnostics, Inc.

By: /s/ Lawrence A. Siebert
Lawrence A. Siebert
Chief Executive Officer



ON NATIONAL HIV TESTING DAY, CHEMBIO ANTICIPATES RECORD HIV TEST REVENUES FOR FIRST HALF OF 2007

MEDFORD, N.Y. – June 27, 2007 - Chembio Diagnostics Inc. (OTCBB: CEMI) announced today, on National HIV Testing Day, that it expects to report revenues of at least \$2.2 million for the second quarter. When added to the \$2.0 million of revenues reported in the first quarter of 2007, this would result in revenues for the first half of 2007 of approximately \$4.2 million, as compared with approximately \$2.9 million reported for the first half of 2006, representing an increase of approximately 46%. The \$2.2 million for the second quarter of 2007 would represent an increase of approximately 34% over \$1.6 million for the second quarter of 2006.

Chembio expects approximately \$3.7 of the \$4.2 million in the first half of 2007 to consist of revenues from the sale of the Company's HIV tests compared with \$1.4 million of the \$2.9 million in the first half of 2006, a 164% increase. This increase has been primarily driven by increased sales to the Supply Chain Management System (SCMS) operating under the United States President's Emergency Plan for AIDS Relief (PEPFAR), sales to Chembio's distributor in Mexico, Bio-Rad Laboratories, Inc. in connection with a successful ongoing nationwide screening program in Mexico, and sales to Chembio's U.S. marketing partner Inverness Medical Innovations, Inc. for sales through Inverness' distribution network which serves the public health, hospital, and physicians office market segments in the United States. The Company began shipments to Mexico in late 2006 and to the United States in the first quarter of 2007.

"2007 is on course so far to be another year of strong revenue growth for Chembio. We have broadened our sources of revenues beyond the developing world and Brazil to now include Mexico and the United States. These and other new markets, together with the anticipated CLIA waiver for our HIV barrel product before the end of this year, are anticipated to produce higher margin revenues", commented Lawrence Siebert, Chembio's Chief Executive Officer. "The recommendations for routine screening for HIV made last year by the United States Centers for Disease Control and earlier this month by the World Health Organization and UNAIDS reflect the growing realization that this epidemic cannot be slowed until people know their status and can then be counseled appropriately. In this regard, we support the President's proposal to double the 5-year PEPFAR funding from its current \$15 billion level to \$30 billion when it is up for reauthorization in 2008."

ABOUT CHEMBIO

Chembio Diagnostics, Inc., a developer and manufacturer of rapid diagnostic tests for infectious diseases, is on the frontlines of the global battle against the AIDS pandemic. The Company has received marketing approval from the FDA for its SURE CHECK® HIV 1/2 and HIV 1/2 STAT-PAK® rapid tests, marketed in the United States by Inverness Medical Innovations. The Company also manufactures rapid tests for veterinary Tuberculosis and Chagas Disease. In March 2007 Chembio was issued a United States patent for the Dual Path Platform (DPP(TM)), a next generation lateral flow platform. DPP has demonstrated significant advantages over currently available lateral flow methods, including increased sensitivity, sample flexibility, and multiplexing capabilities.

For further information please visit www.chembio.com.

FORWARD-LOOKING STATEMENTS

Statements contained herein that are not historical facts may be forward-looking statements within the meaning of the Securities Act of 1933, as amended. Forward-looking statements include statements regarding the intent, belief or current expectations of the Company and its management. Such statements are estimates only, as the Company has not completed the preparation of its financial statements for those periods, nor has its auditor completed the audit of those results. Actual revenue may differ materially from those anticipated in this press release. Such statements reflect management's current views, are based on certain assumptions and involve risks and uncertainties. Actual results, events, or performance may differ materially from the above forward-looking statements due to a number of important factors, and will be dependent upon a variety of factors, including, but not limited to, Chembio's ability to obtain additional financing, to obtain regulatory approvals in a timely manner, and the demand for Chembio's products. Chembio undertakes no obligation to publicly update these forward-looking statements to reflect events or circumstances that occur after the date hereof or to reflect any change in Chembio's expectations with regard to these forward-looking statements or the occurrence of unanticipated events. Factors that may impact Chembio's success are more fully disclosed in Chembio's most recent public filings with the U.S. Securities and Exchange Commission.

Contact:

Matty Arce - 631-924-1135 ext 123.