

MobileSmith, Inc.
Form 10-Q
August 07, 2015

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2015

OR

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

Commission File Number: 001-32634

MOBILESMITH, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4439334
(I.R.S. Employer Identification
No.)

5400 Trinity Road, Suite 208
Raleigh, North Carolina 27607
(Address of principal executive offices)(Zip Code)

(855) 516-2413
(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer	<input type="radio"/>	Accelerated filer	<input type="radio"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="radio"/>

(Do not check if a smaller reporting company)

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

As of August 6, 2015, there were 19,827,542 shares of the registrant’s common stock, par value \$0.001 per share, outstanding.

MOBILESMITH, INC.

FORM 10-Q

For the Quarterly Period Ended June 30, 2015

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PART I – FINANCIAL INFORMATION
MOBILESMITH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 2015 (unaudited)	December, 31 2014
Current Assets		
Cash and Cash Equivalents	\$800,170	\$320,286
Restricted Cash	125,000	125,000
Trade Accounts Receivable, Net of Allowance for Doubtful Accounts of \$11,500 and \$22,000, Respectively	293,479	193,907
Prepaid Expenses and Other Current Assets	76,928	64,973
Total Current Assets	1,295,577	704,166
Property & Equipment, Net	108,770	116,567
Capitalized Software, Net	452,322	507,217
Intangible Assets, Net	63,860	72,604
Other Assets	13,788	21,312
Total Other Assets	638,740	717,700
Total Assets	\$1,934,317	\$1,421,866

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Trade Accounts Payable	\$42,913	\$94,862
Accrued Expenses	64,511	106,668
Accrued Interest	397,548	501,957
Capital Lease Obligations	28,225	28,378
Deferred Revenue	629,771	579,264
Bank Loan	5,000,000	-
Total Current Liabilities	6,162,968	1,311,129
Long-Term Liabilities		
Bank Loan	-	5,000,000
Convertible Notes Payable, Related Parties, Net of Discount	30,352,194	25,985,330
Convertible Notes Payable, Net of Discount	680,640	680,640
Capital Lease Obligations	101,234	114,637
Deferred Rent	57,841	61,010
Total Long-Term Liabilities	31,191,909	31,841,617
Total Liabilities	37,354,877	33,152,746
Commitments and Contingencies (Note 3)		
Stockholders' Deficit	-	-
Preferred Stock, \$0.001 par value, 5,000,000 shares authorized, no shares issued and outstanding at June 30, 2015 and December 31, 2014	-	-
Common Stock, \$0.001 par value, 45,000,000 shares authorized, 19,827,542 shares issued and outstanding at June 30, 2015 and December 31, 2014	19,828	19,828
Additional Paid-in Capital	97,495,991	97,453,374

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Accumulated Deficit	(132,936,379)	(129,204,082)
Total Stockholders' Deficit	(35,420,560)	(31,730,880)
Total Liabilities and Stockholders' Deficit	\$1,934,317	\$1,421,866

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

MOBILESMITH, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
REVENUES:				
Subscription and Support	\$377,545	\$194,783	\$773,733	\$382,729
Professional Services and Other	30,000	-	60,000	-
Total Revenue	407,545	194,783	833,733	382,729
COST OF REVENUES:				
Subscription and Support	74,229	124,682	133,698	260,269
Professional Services and Other	14,272	-		