

ACE MARKETING & PROMOTIONS INC  
Form 10-Q  
November 12, 2010

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010

COMMISSION FILE NUMBER: 000-51160

ACE MARKETING & PROMOTIONS, INC.  
(Exact name of registrant as specified in its charter)

NEW YORK  
(State of jurisdiction of Incorporation)

11-3427886  
(I.R.S. Employer Identification No.)

457 ROCKAWAY AVE.  
VALLEY STREAM, NY 11581  
(Address of principal executive offices)

(516) 256-7766  
(Registrant's telephone number)

NOT APPLICABLE  
(Former name, address and fiscal year, if changed since last report)

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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 checkmark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the 12 preceding months (or such shorter period that the registrant was required to submit and post such file).

Yes ☐ No ☐

Indicate by checkmark 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.

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Large Accelerated Filer ☐  
Accelerated Filer ☐

Accelerated Filer ☐  
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 September 30, 2010, the registrant had a total of 13,627,427 shares of Common Stock outstanding.

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ACE MARKETING & PROMOTIONS, INC.

FORM 10-Q QUARTERLY REPORT  
TABLE OF CONTENTS

	PAGE
<b>PART I. FINANCIAL INFORMATION</b>	
Item 1. Financial Statements (Unaudited)	
Condensed Balance Sheets as of September 30, 2010 (unaudited) and December 31, 2009 (audited)	3
Condensed Statements of Operations for the Three Months and Nine Months Ended September 30, 2010 and September 30, 2009 (unaudited)	4
Condensed Statements of Cash Flows for the Nine Months Ended September 30, 2010 and September 30, 2009 (unaudited)	5
Notes to Condensed Financial Statements	6
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3 Quantitative and Qualitative Disclosures	20
Item 4. Controls and Procedures	20
<b>PART II. OTHER INFORMATION</b>	
Item 1. Legal Proceedings	22
Item 2. Changes in Securities	22
Item 3. Defaults Upon Senior Securities	22
Item 4. Submissions of Matters to a Vote of Security Holders	22
Item 5. Other Information	23
Item 6. Exhibits and Reports on Form 8-K	23
SIGNATURES	24



ACE MARKETING &  
PROMOTIONS, INC.

Condensed Balance Sheets	September 30, 2010 Unaudited	December 31, 2009 Audited
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$260,683	\$595,611
Accounts receivable, net of allowance for doubtful accounts of \$20,000 at September 30, 2010 and December 31, 2009	337,249	533,555
Prepaid expenses and other current assets	221,505	157,580
<b>Total Current Assets</b>	<b>819,437</b>	<b>1,286,746</b>
<b>Property and Equipment, net</b>	<b>258,559</b>	<b>133,632</b>
<b>Other Assets</b>	<b>7,745</b>	<b>7,745</b>
<b>Total Assets</b>	<b>\$1,085,741</b>	<b>\$1,428,123</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$253,097	\$310,753
Accrued expenses	54,708	230,334
<b>Total Current Liabilities</b>	<b>307,805</b>	<b>541,087</b>
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity:</b>		
Preferred Stock, \$.0001 par value; 5,000,000 shares authorized, none issued		
Common stock, \$.0001 par value; 100,000,000 shares authorized; 13,627,428 and 11,615,703 shares issued and outstanding at September 30, 2010 and December 31, 2009, respectively	1,363	1,163
Additional paid-in capital	7,410,294	6,229,851
Accumulated deficit	(6,602,220)	(5,312,477)
	809,437	918,537
Less: Treasury Stock, at cost, 23,334 shares	(31,501 )	(31,501 )
<b>Total Stockholders' Equity</b>	<b>777,936</b>	<b>887,036</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$1,085,741</b>	<b>\$1,428,123</b>

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See notes to condensed financial statements.



ACE MARKETING &  
PROMOTIONS, INC.

Condensed Statements of Operations

	Three Months Ended September 30, Unaudited		Nine Months Ended September 30, Unaudited	
	2010	2009	2010	2009
Revenues, net	\$773,830	\$938,824	\$2,447,723	\$2,235,103
Cost of Revenues	509,973	770,028	1,688,609	1,601,245
Gross Profit	263,857	168,796	759,114	633,858
Operating Expenses:				
Selling, general and administrative expenses	598,949	653,625	2,048,720	1,743,758
Total Operating Expenses	598,949	653,625	2,048,720	1,743,758
Loss from Operations	(335,092 )	(484,829 )	(1,289,606)	