

BLUE CALYPSO, INC.
Form 10-Q
May 15, 2012
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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 March 31, 2012

or

- 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: 333-143570

BLUE CALYPSO, INC.

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(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

20-8610073

(I.R.S. Employer Identification No.)

19111 North Dallas Parkway, Suite 200

Dallas, TX

(Address of Principal Executive Offices)

75287

(Zip Code)

(972) 695-4776

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if changed since last report)

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 (§232.405 of this chapter) 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 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(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 March 31, 2012 there were 126,845,640 shares of the issuer's common stock outstanding.

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(unaudited)

ASSETS			
Current assets:			
Cash and cash equivalents	\$	21,155	\$ 371,393
Accounts Receivable		18,700	51,901
Prepaid expenses		38,646	34,806
Total current assets		78,501	458,100
Property and equipment, net of accumulated depreciation of \$3,586 and \$2,397 in 2012 and 2011 respectively		20,195	21,384
Capitalized software development costs, net of accumulated amortization of \$187,431 and \$133,279 in 2012 and 2011, respectively		937,694	814,874
Total assets	\$	1,036,390	\$ 1,294,358
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable	\$	114,163	\$ 68,162
Accounts payable-affiliate		58,143	254,838
Accrued liabilities		43,715	96,962
Unearned revenue		20,889	24,174
Total current liabilities		236,910	444,136
Notes payable		0	
Notes payable-affiliate		344,993	
Total liabilities		581,903	444,136
Stockholders equity (deficit)			
Series A Convertible Preferred stock, par value \$.0001 per share (Authorized 5,000,000 shares; issued and outstanding 1,500,000 shares)		150	150
Common stock, par value \$.0001 per share (Authorized 680,000,000 shares; issued and outstanding 126,845,641 shares as of 3/31/12 and 12/31/11)		12,685	12,685
Additional paid in capital		4,866,929	4,666,929
Deferred compensation		(818,474)	(1,581,954)
Accumulated deficit during development stage		(3,606,803)	(2,247,588)
Total stockholders equity (deficit)		454,487	850,222
Total liabilities and stockholders equity (deficit)	\$	1,036,390	\$ 1,294,358

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BLUE CALYPSO, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011 AND THE PERIOD SEPTEMBER 11, 2009 (DATE OF INCEPTION) TO MARCH 31, 2012

REVENUE	\$	584	\$	4,758	\$	52,211
COST OF REVENUE		92,707		72		204,218
GROSS LOSS		(92,123)		4,686		(152,007)
OPERATING EXPENSES						
Sales and marketing		243,425		73,431		1,111,087
General and administrative		184,525		53,956		1,208,362
Other operating expenses (includes deferred compensation expense related to stock options)		778,101		14,757		864,348
Depreciation and Amortization		55,341		24,256		191,066
		1,261,392		166,400		3,374,863
LOSS FROM OPERATIONS		(1,353,515)		(161,714)		(3,526,870)
OTHER INCOME (EXPENSE)						
Interest income		0		0		15
Interest expense		(5,700)		(13,053)		(79,948)
		(5,700)		(13,053)		(79,933)
LOSS BEFORE INCOME TAX PROVISION		(1,359,215)		(174,767)		(3,606,803)
INCOME TAX PROVISION						
NET LOSS		(1,359,215)		(174,767)		(3,606,803)
Loss per share:						
Basic and Diluted	\$	(0.01)	\$	(0.00)		
Weighted Average Shares Outstanding						
Basic and Diluted		127,003,882		73,326,302		

Table of Contents**BLUE CALYPSO, INC. AND SUBSIDIARY****(A DEVELOPMENT STAGE COMPANY)**

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY (DEFICIT)

PERIOD FROM SEPTEMBER 11, 2009 (DATE OF INCEPTION) TO MARCH 31, 2012

(UNAUDITED)

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Deferred Compensation	Accumulated Deficit During Development Stage	Total Stockholders Equity (Deficit)
Beginning Balance, September 11, 2009		\$		\$	\$	\$	\$	\$
Net Loss							(23,653)	(23,653)
Ending Balance, December 31, 2009							(23,653)	(23,653)
Shares issued at \$.0001 per share-3/10/2010			65,448,269	6,545	(5,525)			1,020
Affiliate payable converted to equity- 3/31/10					21,958			21,958
Net loss							(5,296)	(5,296)
Ending Balance, March 31, 2010			65,448,269	6,545	16,433		(28,949)	(5,971)
Restricted shares issued- 6/10/2010			5,133,198	513	(433)	(80)		
Net loss							(82,668)	(82,668)
Ending Balance, June 30, 2010			70,581,467	7,058	16,000	(80)	(111,617)	(88,639)
Restricted shares issued- 9/20/2010			1,604,124	161	(136)	(25)		
Net loss							(115,880)	(115,880)
Ending Balance, September 30, 2010			72,185,591	7,219	15,864	(105)	(227,497)	(204,519)
Restricted shares vested as of 12/31/10						22		22
Net loss							(185,191)	(185,191)
Ending Balance, December 31, 2010			72,185,591	7,219	15,864	(83)	(412,688)	(389,688)
Restricted shares issued- 1/10/11			1,283,300	128	(108)	(20)		
Additional Paid-In Capital					10			10
Restricted shares vested as of 03/31/11						12		12
Net loss							(174,767)	(174,767)
Ending Balance, March 31, 2011			73,468,891	7,347	15,766	(91)	(587,455)	(564,433)

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Restricted shares issued-4/29/11	1,283,299	128	(108)	(20)		
Restricted shares vested as of 06/30/11				15		15
Net loss					(235,432)	(235,432)
Ending Balance, June 30, 2011	74,752,190	7,475	15,658	(96)	(822,887)	(799,850)
Restricted shares cancelled 7/25/11	(2,887,423)	(288)	192	96		
Restricted shares vested as of 09/30/11						
Conversion of Debt 9/1/11	28,135,234	2,814	1,562,274			1,565,088
Reverse merger shares issued 9/1/11	24,974,700	2,497	(2,497)			
Restricted shares issued-9/8/11	320,825	32	21,752	(21,784)		(0)
Net loss					(621,271)	(621,271)
Ending Balance, September 30, 2011	125,295,526	12,530	1,597,379	(21,784)	(1,444,158)	143,967
Additional Paid-In Capital-Compensation Expense			4,239			4,239
Conversion of Debt to Pref Stock 10/17/11	1,500,000	150				1,500,000
Restricted shares vested as of 10/1/11				5,446		5,446
Restricted shares issued-12/30/11	1,550,115	155	1,565,461	(1,565,616)		
Net loss						