

BLUE CALYPSO, INC.
Form 10-Q
November 14, 2011
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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 September 30, 2011

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.

(Exact Name of Registrant as Specified in Its Charter)

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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 November 8, 2011, there were 124,975,750 shares of the issuer's common stock outstanding.

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	9/30/2011 (Unaudited)	12/31/2010 (Audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,058,316	\$ 113,511
Accounts Receivable	35,200	
Prepaid expenses	116,459	10,819
Total current assets	1,209,975	124,330
Property and equipment, net of accumulated depreciation of \$1,274	11,264	4,224
Capitalized software development costs, net of accumulated amortization of \$95,097	661,632	440,579
Total assets	\$ 1,882,871	\$ 569,133
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 39,381	\$ 15,663
Accounts payable-affiliate	147,302	105,415
Accrued liabilities	6,508	55,780
Unearned revenue	45,713	6,963
Total current liabilities	238,904	183,821
Notes Payable, non-current	1,500,000	675,000
Notes payable-affiliate, non-current		100,000
Total liabilities	1,738,904	958,821
Stockholders' equity (deficit)		
Preferred stock, par value \$.0001 per share (Authorized 5,000,000 shares; issued and outstanding 0 shares)		
Common stock, par value \$.0001 per share (Authorized 680,000,000 shares; issued and outstanding 125,295,526 shares as of 9/30/11 and 72,185,591 shares at 12/31/10 respectively)		
Additional paid in capital	12,530	7,219
Deferred compensation	1,597,379	15,864
	(21,784)	(83)
Deficit accumulated during development stage	(1,444,158)	(412,688)
Total stockholders' equity (deficit)	143,967	(389,688)
Total liabilities and stockholders' equity (deficit)	\$ 1,882,871	\$ 569,133

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See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

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BLUE CALYPSO, INC. AND SUBSIDIARY

(A DEVELOPMENT STAGE COMPANY)

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010 AND THE PERIOD

FROM SEPTEMBER 11, 2009 (DATE OF INCEPTION) TO SEPTEMBER 30, 2011

(UNAUDITED)

	Three months ended September 30,		Nine months ended September 30,		From Inception September 11, 2009 to September 30, 2011
	2011	2010	2011	2010	
REVENUE	1,665		\$ 7,701		\$ 7,738
COST OF REVENUE	58,958		71,094		71,094
GROSS LOSS	(57,293)		(63,393)		(63,356)
OPERATING EXPENSES					
Sales and marketing	198,164	32,127	\$ 380,950	32,127	517,364
General and administrative	296,354	73,495	412,181	159,291	628,840
Other Operating Expenses	16,115	10,250	30,488	12,418	61,223
Depreciation and Amortization	32,599	23	84,319	23	96,420
	543,232	115,895	907,938	203,859	1,303,847
LOSS FROM OPERATIONS	(600,525)	(115,895)	(971,331)	(203,859)	(1,367,203)
OTHER INCOME (EXPENSE)					
Interest income		15		15	15
Interest expense	(20,746)		(60,139)		(76,970)
	(20,746)	15	(60,139)	15	(76,955)
LOSS BEFORE INCOME TAX PROVISION	(621,271)	(115,880)	(1,031,470)	(203,844)	(1,444,158)
INCOME TAX PROVISION			\$		
NET LOSS	\$ (621,271)	\$ (115,880)	\$ (1,031,470)	\$ (203,844)	\$ (1,444,158)
Loss per share:					
Basic and Diluted	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)	
Weighted Average Shares Outstanding					
Basic and Diluted	89,467,286	70,755,828	79,104,729	49,886,501	

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

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 SEPTEMBER 30, 2011

(UNAUDITED)

	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	160	(135)	(25)		
Net loss					(115,879)	(115,879)
Ending Balance, September 30, 2010	72,185,591	7,219	15,864	(105)	(227,496)	(204,518)
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	1,283,299	128	(108)	(20)		
Additional Paid-In Capital			10			10
				12		12

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Restricted shares vested as of 03/31/11								
Net loss							(174,767)	(174,767)
Ending Balance, March 31, 2011	73,468,891	7,347	15,766	(91)	(587,455)	(564,433)		
Restricted shares issued- 4/29/11	1,283,299	128	(108)	(20)				
Restricted shares vested as of 06/30/11								
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								

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