

DNA BRANDS INC  
Form 10-Q/A  
January 11, 2011

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Form 10-Q/A1

Quarterly Report Under the Securities Exchange Act of 1934

For Quarter Ended: September 30, 2010

DNA BRANDS, INC.  
(Exact name of small business issuer as specified in its charter)

Colorado  
(State or other  
jurisdiction  
of incorporation)

000-53086  
(Commission File  
Number)

26-0394476  
(IRS Employer ID  
No.)

506 NW 77th Street  
Boca Raton, Florida, 33487  
(Address of principal executive offices)

(954) 978-8401  
(Issuer's Telephone Number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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 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 nonaccelerated filer, or a smaller reporting company.

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

(Do not check if a smaller reporting company)

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The number of shares of the registrant's only class of common stock issued and outstanding as of November 19, 2010 was 33,986,422 shares.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes

No  Yes

## EXPLANATORY NOTE:

We are filing this Amendment No. 1 on Form 10-Q/A (the “Amendment”) to amend our Form 10-Q for the quarter ended September 30, 2010 (the “Report”), which was originally filed with the U.S. Securities and Exchange Commission on November 22, 2010. In December 2010, we identified a number of errors that had been made in the calculation of the stock conversion percentage associated with the reverse merger transaction we completed on July 6, 2010 which was previously reported to be .7787567 but should have been .72927779, and to adjust the weighted average shares outstanding. However, the number of common shares issued by us in the reverse merger remains at 31,250,000. See “Part I, Financial Information,” including Notes to Consolidated Financial Statements and “Part I, Item 2 Management’s Discussion and Analysis of Financial Condition and Results of Operations,” below.

## TABLE OF CONTENTS

	Page No.
<b>PART I</b>	
<b>FINANCIAL INFORMATION</b>	
Item 1. Financial Statements	3
Consolidated Balance Sheets as of September 30, 2010 (Unaudited), and December 31, 2009 (Audited) (Restated)	3
Consolidated Statements of Operations (Unaudited) for the Three and Nine Month Periods Ended September 30, 2010 and 2009 (Restated)	4
Consolidated Statements of Cash Flows (Unaudited) for the Nine Month Periods ended September 30, 2010 and 2009	5
Notes to Consolidated Financial Statements	6
Management’s Discussion and Analysis of Financial Condition and	
Item 2. Results of Operations	19
Item 3. Quantitative and Qualitative Disclosures About Market Risk	23
Item 4. Controls and Procedures	23
<b>PART II</b>	
<b>OTHER INFORMATION</b>	
Item 1. Legal Proceedings	24
Item	
1A. Risk Factors	24
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	24
Item 3. Defaults Upon Senior Securities	25
Item 4. (Removed and Reserved)	25
Item 5. Other Information	25
Item 6. Exhibits	25
Signatures	26

## ITEM 1. FINANCIAL STATEMENTS

DNA BRANDS, INC.  
CONSOLIDATED BALANCE SHEETS  
(RESTATED)

	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 29,539	\$ 11,392
Accounts receivable, net	145,042	17,424
Inventory	153,973	132,158
Prepaid expenses and other current assets	42,127	137,886
Total current assets	370,681	298,860
Property and equipment, net	48,735	42,028
Advances to related party	47,587	-
Total assets	\$ 467,003	\$ 340,888
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable	\$ 909,427	\$ 325,853
Accrued expenses	976,448	623,748
Bank loans payable, current portion	14,144	24,552
Loans payable to officers	839,200	1,792,278
Total current liabilities	2,739,219	2,766,431
Bank loans payable, net of current portion	4,936	14,920
Convertible, subordinated debentures, net of discounts	-	439,283
Advances from related party	-	160,479
Total liabilities	2,744,155	3,381,113
Commitments and contingencies	-	-
Stockholders' deficit		
Preferred stock, \$0.001 par value, 10,000,000 authorized, zero and zero issued and outstanding, respectively	-	-
Common stock, \$0.001 par value, 100,000,000 authorized, 34,064,980 and 19,847,671 issued and outstanding, respectively	34,065	19,848
Additional paid-in capital	13,595,268	6,430,518
Accumulated deficit	(15,906,485)	(9,490,591)
Total stockholders' deficit	(2,277,152)	(3,040,225)
Total liabilities and stockholders' deficit	\$ 467,003	\$ 340,888

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

DNA BRANDS, INC.  
 CONSOLIDATED STATEMENTS OF OPERATIONS  
 FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009  
 (UNAUDITED)  
 (RESTATED)

	Three Months Ended September		Nine Months Ended September 30,	
	2010	2009	2010	2009
Sales	\$ 165,151	\$ 159,831	\$ 939,945	\$ 549,733
Cost of goods sold	90,549	112,127	743,225	385,659
Gross margin	74,602	47,704	196,720	164,074
Operating expenses				
Compensation and benefits	578,523	361,209	2,981,668	1,623,111
Depreciation expense	6,797	5,481	19,398	16,266
General and administrative expenses	260,585	156,580	766,520	