

Professional Diversity Network, Inc.  
Form 10-Q  
August 12, 2015

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

FORM 10-Q

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

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_ .

Commission File Number: 001-35824

Professional Diversity Network, Inc.  
(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation or  
Organization)

80-0900177  
(I.R.S. Employer Identification No.)

801 W. Adams Street, Suite 600, Chicago, Illinois 60607  
(Address of Principal Executive Offices) (Zip Code)

Telephone: (312) 614-0950  
(Registrant's Telephone Number, Including Area Code)

N/A

(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

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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.

Large accelerated filer   
Non-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

There were 14,673,172 shares outstanding of the registrant's common stock as of August 10, 2015.

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PROFESSIONAL DIVERSITY NETWORK, INC.

FORM 10-Q  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015

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PART I  
ITEM 1. FINANCIAL STATEMENTS

Professional Diversity Network, Inc.  
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2015 (Unaudited)	December 31, 2014
Current Assets:		
Cash and cash equivalents	\$ 5,329,441	\$ 1,519,467
Accounts receivable	2,779,769	3,448,748
Short-term investments	1,096,234	5,198,878
Incremental direct costs	1,098,271	900,868
Prepaid license fee	225,000	337,500
Prepaid expenses and other current assets	404,540	381,057
Deferred tax asset	38,800	58,200
Total current assets	10,972,055	11,844,718
Property and equipment, net	763,514	874,769
Capitalized technology, net	575,906	526,070
Goodwill	45,180,531	45,180,531
Intangible assets, net	13,486,039	14,934,225
Merchant reserve	1,260,849	860,849
Security deposits	376,160	371,310
Total assets	\$ 72,615,054	\$ 74,592,472
Current Liabilities:		
Accounts payable	\$ 3,591,092	\$ 4,941,135
Accrued expenses	703,102	549,727
Deferred revenue	9,766,162	10,078,938
Customer deposits	225,000	337,500
Notes payable	85,099	1,389,386
Note payable - related party	442,394	437,186
Warrant liability	2,229	93,789
Capital lease obligations	-	15,232
Total current liabilities	14,815,078	17,842,893
Deferred rent	65,480	25,946
Deferred tax liability	1,595,389	3,081,611
Total liabilities	16,475,947	20,950,450
Commitments and contingencies		
Stockholders' Equity		
Common stock, \$0.01 par value; 25,000,000 shares authorized; 14,673,172 and 12,928,072 shares issued as of June 30, 2015 and December 31, 2014, respectively; and	144,731	127,280

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14,464,789 and 12,719,689 shares outstanding as of June 30, 2015 and December 31, 2014, respectively

Additional paid in capital	63,447,113	58,646,322
Accumulated deficit	(7,415,620)	(5,094,463)
Treasury stock, at cost; 8,382 shares at June 30, 2015 and December 31, 2014	(37,117)	(37,117)
Total stockholders' equity	56,139,107	53,642,022
Total liabilities and stockholders' equity	\$ 72,615,054	\$ 74,592,472

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

Professional Diversity Network, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (Unaudited)

Three Months Ended June 30,		Six Months Ended June 30,	
2015	2014	2015	2014

Revenues