

CoroWare, Inc,
Form 10-Q
June 10, 2016

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 OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2016

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: 000-33231

COROWARE, INC.
(EXACT NAME OF THE COMPANY AS
SPECIFIED IN ITS CHARTER)

Delaware 95-4868120
(State or Other Jurisdiction (I.R.S. Employer
of Incorporation) Identification No.)

601 108 th Avenue Northeast, Suite 1900
Bellevue, WA 98004
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(800) 641-2676
(ISSUER REGISTRANT TELEPHONE NUMBER)

SECURITIES REGISTERED UNDER SECTION 12(B) OF THE ACT: NONE

SECURITIES REGISTERED UNDER SECTION 12(G) OF THE ACT:

COMMON STOCK, PAR VALUE \$0.0001
(TITLE OF CLASS)

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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 (Do not check if a smaller reporting company)	Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Number of shares of common stock (\$0.0001 par value) outstanding as of June 10, 2016: 11,504,431,008 shares.

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COROWARE, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets

	March 31, 2016 (Unaudited)	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash	\$2,481	\$99,056
Accounts receivable, net	154,380	178,557
Inventory, net	7,323	7,323
Total Current Assets	164,184	284,936
Property and equipment, net	30,114	30,086
Security deposits	7,128	9,746
TOTAL ASSETS	\$201,426	\$324,768
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$6,423,921	\$7,851,870
Accrued expenses - related parties	230,993	228,148
Deferred revenue	15,331	-
Obligations collateralized by receivables, net	173,384	159,218
Convertible debt, net	4,660,693	2,937,593
Notes payable	116,232	153,732
Notes payable - related parties	159,481	166,506
Small business administration loan	979,950	979,950
Derivative liability	14,106,098	7,396,430
Total Current Liabilities	26,866,083	19,873,447
TOTAL LIABILITIES	26,866,083	19,873,447
Commitments and contingencies	-	-
STOCKHOLDERS' DEFICIT:		
Redeemable preferred stock, Series A, \$0.001 par value, 125,000 shares authorized, 0 shares issued and outstanding	-	-
Redeemable preferred stock, Series B, \$0.001 par value, 525,000 shares authorized, 159,666 shares issued and outstanding	160	160
Redeemable preferred stock, Series C, \$0.001 par value, 500,000 shares authorized, 0 shares issued and outstanding	-	-
Redeemable preferred stock, Series D, \$0.001 par value, 500,000 shares authorized, 100,000 shares issued and outstanding	100	100
Redeemable preferred stock, Series E, \$0.001 par value, 1,000,000 shares authorized, 821,006 and 805,392 shares issued and outstanding, respectively	821	805
Redeemable preferred stock, Series F, \$0.001 par value, 500,000 shares authorized, 190,000 and 0 shares issued and outstanding	190	190
Redeemable preferred stock, Series G, \$0.001 par value, 500,000 shares authorized, 25,000 shares issued and outstanding	25	25
Common stock; 13,000,000,000 shares authorized at \$0.0001 par value,		

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10,617,330,076 and 8,888,809,250 shares issued and outstanding, respectively	1,061,733	888,881
Additional paid-in capital	31,471,635	31,432,749
Non controlling interest	92,258	92,258
Treasury stock	(18,997)	(13,172)
Accumulated deficit	(59,272,582)	(51,950,675)
TOTAL STOCKHOLDERS' DEFICIT	(26,664,657)	(19,548,679)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$201,426	\$ 324,768

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

COROWARE, INC. AND SUBSIDIARIES

Unaudited Condensed Consolidated Statements of Operations

	For the Three Months Ended March 31,	
	2016	2015
REVENUES, NET	\$ 1,646,187	\$ 798,541
COST OF REVENUE	1,171,603	572,062
GROSS PROFIT	474,584	226,479
OPERATING EXPENSES		
General and administrative	724,667	371,805
Sales and marketing	27,516	20,018
Research and development	21,378	20,328
Depreciation and amortization	2,744	3,020
TOTAL OPERATING EXPENSES	776,305	415,171