

BLUE CALYPSO, INC.  
Form 10-Q/A  
October 09, 2013  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q/A

(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.**

(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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**EXPLANATORY NOTE**

This Amendment No. 1 hereby amends our Quarterly Report on Form 10-Q ( Form 10-Q/A ) for the period ended March 31, 2012, which was originally filed with the Securities and Exchange Commission on May 15, 2012 (the Original 10-Q ). This Amendment is being filed mainly to include restated financial statements as described in Note 2, Restatement of Previously Issued Financial Statements of the Notes to the condensed consolidated financial statements. The condensed consolidated financial statements are being restated to reflect the following:

On August 26, 2013, after consulting with the Company s Audit Committee and with the Company s newly appointed Independent Registered Public Accounting Firm, Marcum LLP, management changed its accounting for certain of the Company s warrants previously issued in connection with preferred stock and common stock and conversion features related to previously issued convertible notes which were recorded in periods prior to the engagement of Marcum LLP in order to comply with US GAAP. Such warrants and the embedded conversion options should have been reflected as liabilities on the consolidated balance sheets included in the Original 10-Q, rather than as a component of equity.

Specifically, the change in treatment of the warrants and the conversion feature embedded in certain convertible notes resulted in a change to the equity, and liability portions of the consolidated balance sheets as of March 31, 2012 and resulted in a loss on the fair value of the derivative liabilities which impacted our results of operations and earnings (loss) per share as reported in our Original 10-Q.

In addition, the Company has concluded that these accounting changes constitute an additional deficiency in the Company s internal control over financial reporting as of March 31, 2012 and that its disclosure controls and procedures were not effective as of March 31, 2012.

The following sections of this Form 10-Q/A have been amended to reflect the restatement:

- Part I Item 1 Financial Statements and Notes to the Condensed Consolidated Financial Statements;
- Part I Item 2 Management s Discussion and Analysis of Financial Condition and Results of Operations; and
- Part I Item 4 Controls and Procedures.

For the convenience of the reader, this Form 10-Q/A sets forth the Original 10-Q in its entirety, as amended by, and to reflect the restatements, as described above. Except as described above, the Company has not modified or updated

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disclosures presented in this Amendment No. 1. Accordingly, this Amendment No. 1 does not reflect events occurring after the Original 10-Q or modify or update those disclosures affected by subsequent events, except as specifically referenced herein. Information not affected by the restatements is unchanged and reflects the disclosures made at the time of filing of the Original 10-Q.

This Form 10-Q/A has been signed as of a current date and all certifications of the Company's Chief Executive Officer/Principal Executive Officer and Chief Financial Officer/Chief Accounting Officer and Principal Financial Officer are given as of a current date. Accordingly, this Form 10-Q/A should be read in conjunction with the Company's filings with the Securities and Exchange Commission subsequent to the filing of the Original 10-Q, including any amendments to those filings.

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Table of Contents**Part 1 Item 1****BLUE CALYPSO INC. AND SUBSIDIARY****(A DEVELOPMENT STAGE COMPANY)****CONSOLIDATED BALANCE SHEETS**

(Restated)

	<b>March 31, 2012 Unaudited (Restated)</b>	<b>December 31, 2011 (Restated)</b>
<b>ASSETS</b>		
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	<b>\$ 1,036,390</b>	<b>\$ 1,294,358</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)</b>		
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
Warrant liabilities	12,370,189	10,997,560
Total current liabilities	12,607,099	11,441,696
Notes payable		
Notes payable-affiliate	344,993	
Total liabilities	12,952,092	11,441,696
<b>Stockholders equity (deficit)</b>		
Series A Convertible Preferred stock, par value \$.0001 per share (Authorized 5,000,000 shares; issued and outstanding 1,700,000 and 1,500,000 shares as of	150	150

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3/31/12 and 12/31/11, respectively)

Common stock, par value \$.0001 per share (Authorized 680,000,000 shares; issued and outstanding 127,045,641 and 126,845,641 shares as of 3/31/12 and 12/31/11, respectively)

	12,685	12,685
Additional paid in capital	3,208,052	3,954,102
Deferred compensation	(818,474)	(1,581,954)
Accumulated deficit during development stage	(14,318,115)	(12,532,321)
 Total stockholders' equity (deficit)	 (11,915,702)	 (10,147,338)
 Total liabilities and stockholders' equity (deficit)	 <b>\$ 1,036,390</b>	 <b>\$ 1,294,358</b>

The accompanying notes are an integral part of these condensed consolidated Financial Statements.



Table of Contents**BLUE CALYPSO, INC. AND SUBSIDIARY****(A DEVELOPMENT STAGE COMPANY)****CONSOLIDATED STATEMENTS OF OPERATIONS****FOR THE THREE MONTHS ENDED MARCH 31, 2012 (RESTATED) AND 2011 AND THE PERIOD  
SEPTEMBER 11, 2009 (DATE OF INCEPTION) TO MARCH 31, 2012 (RESTATED)**

	(UNAUDITED)		
	Three months ended	Three months ended	FROM INCEPTION
	March 31,	March 31,	SEP 11, 2009 TO
	2012 (Restated)	2011	March 31, 2012 (Restated)
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	962,626	68,713	2,072,710
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			15
Interest expense	(5,700)	(13,053)	(79,948)
Change in fair value of derivative liabilities	(426,580)	0	(10,711,312)
	(432,280)	(13,053)	(10,791,245)
LOSS BEFORE INCOME TAX PROVISION	(1,785,795)	(174,767)	(14,318,115)
INCOME TAX PROVISION			
NET LOSS	(1,785,795)	(174,767)	(14,318,115)
Loss per share:			
Basic and diluted	\$ (0.01)	\$ (0.00)	

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Weighted average shares outstanding		
Basic and diluted	127,003,882	73,326,302

The accompanying notes are an integral part of these 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 MARCH 31, 2012****(UNAUDITED) (RESTATED)**

	Preferred Stock		Common Stock			Accumulated	Total		
	Shares	Amount	Shares	Amount	Paid-In Capital	Deferred Compensation	Development Stage	Deficit During	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)

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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)
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			1,499,850			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)		

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Allocation of proceeds from warrants 12/31/11					(712,827)			(712,827)
Net loss							(11,088,163)	(11,088,163)
Ending Balance, December 31, 2011	1,500,000	\$ 150	126,845,641	\$ 12,685	\$ 3,954,102	\$ (1,581,954)	\$ (12,532,321)	\$ (10,147,338)
Additional Paid-In Capital-Compensation Expense								
Purchase of Preferred Stock	200,000				200,000			200,000
Restricted Shares Issued			200,000					
Stock Options - Deferred Income						763,480		763,480
Allocation of proceeds from warrants 3/31/12			5	54	(946,049)			(946,049)
Net loss							(1,785,795)	(1,785,795)
Ending Balance, March 31, 2012	1,700,000	\$ 150	127,045,641	\$ 12,685	\$ 3,208,052	\$ (818,474)	\$ (14,318,115)	