

MEDICAL ALARM CONCEPTS HOLDINGS INC
Form 10-Q
February 17, 2015

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 December 31, 2014

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: 333-153290

MEDICAL ALARM CONCEPTS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

26-3534190
(I.R.S. Employer Identification No.)

200 W. Church Road Suite B, King of Prussia, PA
(Address of principal executive offices)

19406
(Zip Code)

(877) 639-2929

(Registrant's telephone number, including area code)

N/A

(Former address)

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at February 16, 2015
Common Stock, \$0.0001 par value per share	5,628,679 shares

(table of contents)

TABLE OF CONTENTS

	Pages
PART 1. FINANCIAL INFORMATION	3
ITEM 1. <u>FINANCIAL STATEMENTS</u>	3
ITEM 2. <u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.</u>	12
ITEM 3. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	16
ITEM 4. <u>CONTROLS AND PROCEDURES</u>	16
PART II. OTHER INFORMATION	18
ITEM 1. <u>LEGAL PROCEEDINGS</u>	18
ITEM 1A. <u>RISK FACTORS</u>	18
ITEM 2. <u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	18
ITEM 3. <u>DEFAULTS UPON SENIOR SECURITIES</u>	18
ITEM 4. <u>MINE SAFETY DISCLOSURES</u>	18
ITEM 5. <u>OTHER INFORMATION</u>	18
ITEM 6. <u>EXHIBITS</u>	18
SIGNATURES	19

(table of contents)

PART

I. I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MEDICAL ALARM CONCEPTS HOLDING, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2014	June 30, 2014
ASSETS		
CURRENT ASSETS		
Cash	\$4,671	\$7,673
Accounts receivable net of allowance of \$7,906	14,473	36,952
Inventory	120,494	22,839
Loan to employee	30,000	—
Purchase deposits	42,482	—
Total current assets	212,120	67,464
NON-CURRENT ASSETS		
Property and equipment, net	—	461
Intangible assets, net	1,059,785	1,099,036
Total non-current assets	1,059,785	1,099,497
Total assets	\$1,271,905	\$1,166,961
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Derivative liability	\$—	\$30,766
Accounts payable	93,841	67,305
Deferred revenue	363,838	380,397
Note payable - other	—	5,000
Credit line payable - related party	275,000	—
Accrued expenses and other current liabilities	182,298	194,025
Convertible notes payable	—	25,908
Total current liabilities	914,977	703,401
NON-CURRENT LIABILITIES		
Patent payable	2,500,000	2,500,000
Total non-current liabilities	2,500,000	2,500,000
Total liabilities	3,414,977	3,203,401
STOCKHOLDERS' DEFICIT		
Series A Convertible Preferred Stock: \$0.0001 par value; 100,000 shares authorized; 688 shares issued and outstanding as of December 31, 2014 and June 30, 2014, respectively	—	—
Series B Convertible Preferred Stock: \$0.0001 par value; 62,500 shares authorized; 9,938 shares issued and outstanding as of December 31, 2014 and June 30, 2014, respectively	1	1

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Common stock: \$0.0001 par value; 20,000,000 shares authorized; 5,628,679 and 5,623,679 shares issued and outstanding on December 31, 2014 and June 30, 2014, respectively	563	562
Additional paid-in capital	12,273,738	12,203,981
Accumulated deficit	(14,417,374)	(14,240,984)
Total stockholders' deficit	(2,143,072)	(2,036,440)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$1,271,905	\$1,166,961

See accompanying notes to these unaudited consolidated financial statements.

-3-

(table of contents)

MEDICAL ALARM CONCEPTS HOLDING, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	For the three months ended December 31,		For the six months ended December 31,	
	2014	2013	2014	2013
Revenue	241,077	256,731	\$512,081	\$521,591
Cost of revenue	41,144	102,178	103,059	163,611
Gross profit	199,933	154,553	409,022	357,980
Operating expenses				
Selling expense	69,504	83,878	129,884	125,229
General and administrative	211,958	1,100,300	365,714	1,255,266
Total operating expenses	281,462	1,184,178	495,598	1,380,495
Loss from operations	(81,529)	(1,029,625)	(86,576)	(1,022,515)
Other (income) expenses				
Change in fair value of derivative instrument	(8,096)	(1,035,900)	11,335	(1,455,035)
Interest expense - related party	2,934	—	2,934	—
Interest expense	38,030	81,258	75,545	161,481
Total other (income) expense	32,868	(954,642)	89,814	(1,293,554)
Income (loss) before income tax	(114,397)	(74,983)	(176,390)	271,039
Income tax provision	—	—	—	—
Net income (loss)	(114,397)	(74,983)	\$(176,390)	\$271,039
Net income per common share - basic and diluted	(0.02)	(0.03)	\$(0.03)	\$0.13
Weighted average number of common shares - basic and diluted	5,623,679	2,531,655	5,623,679	2,116,555