

RUBICON FINANCIAL INC  
Form 10-Q  
May 15, 2009

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-29315  
RUBICON FINANCIAL INCORPORATED  
(Exact name of registrant as specified in its charter)

Delaware 13-3349556  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

4100 Newport Place  
Suite 600  
Newport Beach, California 92660  
(Address of principal executive offices)

(949) 798-7220  
(Registrant's telephone number, including area code)

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 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

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

Yes  No

The number of shares of Common Stock, \$0.001 par value, outstanding on May 15, 2009, was 12,596,563, which includes 619,790 shares authorized but unissued.

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

Rubicon Financial Incorporated  
Condensed Consolidated Balance Sheets

	March 31, 2009	December 31, 2008
	(Unaudited)	Audited
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 246,669	\$ 212,657
Cash – restricted	211,691	201,571
Marketable securities	513,957	530,380
Accounts receivable	508,515	481,523
Prepaid expenses	25,472	41,311
Notes receivable	124,202	124,202
Interest receivable	6,769	4,906
Total current assets	1,637,275	1,596,550
Fixed assets, net of accumulated depreciation of \$147,386 and \$134,565, respectively	128,970	136,159
<b>Other assets:</b>		
Contract advances	246,384	277,197
Deposits	27,554	38,554
Intangible assets – customer list	2,439,671	2,439,671
Total other assets	2,713,609	2,755,422
<b>Total assets</b>	<b>\$ 4,479,854</b>	<b>\$ 4,488,131</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 319,720	\$ 242,335
Accrued expenses	572,253	583,437
Investment obligation	487,000	487,000
Deferred revenue	138,171	147,367
Capital lease obligation	9,334	12,223
Line of credit	48,000	-
Notes payable – related party	4,500	4,500
Total current liabilities	1,578,978	1,476,862
<b>Stockholders' equity</b>		
Preferred stock, \$0.001 par value, 9,000,000 shares authorized, no shares issued and outstanding as of March 31, 2009 and December 31, 2008, respectively	-	-
Preferred series "A", \$0.001 par value, 1,000,000 shares authorized, 62,500 shares issued and outstanding as of March 31, 2009 and December 31, 2008, respectively	63	63
Common stock, \$0.001 par value, 50,000,000 shares authorized, 11,976,773 and 11,976,773 shares issued		

and outstanding as of March 31, 2009 and December 31, 2008, respectively	11,977	11,977
Common stock owed but not issued, 619,790 and 499,790 as of March 31, 2009 and December 31, 2008, respectively	619	498
Additional paid in capital	18,098,589	17,971,575
Unamortized shares and options issued for services	(334,831)	(433,108)
Other comprehensive losses	(814,292)	(611,861)
Accumulated (deficit)	(14,061,249)	(13,927,875)
Total stockholders' equity	2,900,876	3,011,269
Total liabilities and stockholders' equity	\$ 4,479,854	\$ 4,488,131

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

Rubicon Financial Incorporated  
Condensed Consolidated Statements of Operations  
(Unaudited)

	For the Three Months Ended March 31,	
	2009	2008
Revenue	\$ 2,321,765	\$ 95,220
<b>Expenses:</b>		
Direct costs	1,792,180	13,950
Consulting	-	49,710
Professional fees	87,331	115,934
Executive compensation	252,402	442,929
General and administrative expenses	328,155	325,985
Depreciation	12,821	6,830
Total operating expenses	2,472,889	955,338
Net operating (loss)	(151,124)	(860,118)
<b>Other income (expense):</b>		
Interest expense	(4,122)	(1,530)
Interest expense – related party	-	(3,900)
Interest income	7,093	13,195
Other income	14,779	-
Minority interest (loss)	-	(59,923)
Total other income (expense)	17,750	(52,158)
Net (loss)	(133,374)	(912,276)
Other comprehensive (loss)	-	(315,000)
Total comprehensive (loss)	\$ (133,374)	\$ (1,227,276)
<b>Weighted average number of common shares</b>		
Outstanding – basic and fully diluted	12,056,324	11,323,253
Net (loss) per share – basic and fully diluted	\$ (0.01)	\$ (0.11)

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

Rubicon Financial Incorporated  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

	For the Three Months Ended	
	March 31,	
	2009	2008
Cash flows from operating activities	\$ (133,374)	\$ (912,276)
Adjustments to reconcile net (loss) to net cash (used) in operating activities:		
Depreciation	12,821	6,830
Minority interest losses	-	59,923
Amortization of prepaid share-based compensation	108,277	348,100
Shares and options issued for services	20,000	10,000
Changes in operating assets and liabilities		
Accounts receivable	(26,992)	(208,770)
Prepaid expenses	15,839	8,024
Interest receivable	(1,863)	(976)
Deposits and other assets	41,813	-
Accounts payable and accrued liabilities	66,201	22,293
Investment obligation	-	(16,500)
Deferred revenue	(9,196)	16,984
Interest payable – related party	-	3,901
Net cash (used) by operating activities	93,526	(662,467)
Cash flows from investing activities		
Purchase of fixed assets	(5,632)	(52,515)
Purchase of investments and securities	(88,873)	(400,000)
Net cash (used) in investing activities	(94,505)	(452,515)
Cash flows from financing activities		
Proceeds from line of credit	48,000	-
Payments on capital leases	(2,889)	-
Sale of common stock	-	170,000
Net cash provided by financing activities	45,111	170,000
Net (decrease) in cash	44,132	(944,981)
Cash – beginning	414,228	1,892,541
Cash – ending	\$ 458,360	\$ 947,560
Supplemental disclosure		
Interest paid	\$ 4,122	\$ 1,530
Income taxes paid	\$ -	