

MITEK SYSTEMS INC
Form 10-Q
August 16, 2010

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, 2010

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 0-15235

MITEK SYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

87-0418827
(I.R.S. Employer Identification No.)

8911 Balboa Ave., Suite B
San Diego, California
(Address of principal executive offices)

92123
(Zip Code)

Registrant's telephone number: (858) 503-7810

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 Check one):

Large Accelerated Filer
Non-Accelerated Filer

Accelerated Filer

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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 17,418,337 shares outstanding of the registrant's common stock as of August 12, 2010.

MITEK SYSTEMS, INC.

FORM 10-Q

For the quarterly period ended June 30, 2010

Special Note About Forward-Looking Statements	(ii)
Part I - Financial Information	
ITEM 1. Financial Statements	1
ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	12
ITEM 3. Quantitative and Qualitative Disclosures About Market Risk	17
ITEM 4. Controls and Procedures	17
Part II - Other Information	
ITEM 1. Legal Proceedings	18
ITEM 1A. Risk Factors	18
ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds	18
ITEM 3. Defaults Upon Senior Securities	18
ITEM 4. (Removed and Reserved)	19
ITEM 5. Other Information	19
ITEM 6. Exhibits	19
Signatures	20

(i)

Special Note About Forward-Looking Statements

We make forward-looking statements in this report, particularly in Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in the documents that are incorporated by reference into this report, if any. These forward-looking statements relate to Mitek's outlook or expectations for earnings, revenues, expenses, asset quality or other future financial or business performance, strategies or expectations, or the impact of legal, regulatory or supervisory matters on Mitek's business, results of operations or financial condition. Specifically, forward looking statements used in this report may include statements relating to future business prospects, revenue, income and financial condition of Mitek.

Forward-looking statements can be identified by the use of words such as "estimate," "may," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "target" or similar expressions. These statements reflect Mitek's judgment based on currently available information at June 30, 2010 and involve a number of risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

In addition to those factors discussed under the heading "Risk Factors" in Part II, Item 1A of this report, and in Mitek's other public filings with the Securities and Exchange Commission, important factors could cause actual results to differ materially from our expectations. These factors include, but are not limited to:

- adverse economic conditions;
- general decreases in demand for Mitek products and services;
- intense competition (including entry of new competitors), including among competitors with substantially greater resources than Mitek;
- loss of key customers or contracts;
- increased or adverse federal, state and local government regulation;
- inadequate capital;
- unexpected costs;
- lower revenues and net income than forecast;
- the risk of litigation and administrative proceedings;
- the possible fluctuation and volatility of operating results and financial condition;
- adverse publicity and news coverage;
- inability to carry out marketing and sales plans; and
- loss of key employees and executives.

You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date hereof, or in the case of a document incorporated by reference, as of the date of that document. Except as required by law, we undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

The above list is not intended to be exhaustive and there may be other factors that would preclude us from realizing the predictions made in the forward-looking statement. We operate in a continually changing business environment and new factors emerge from time to time. We cannot predict such factors or assess the impact, if any, of such factors on their respective financial positions or results of operations.

In this report, unless the context indicates otherwise, the terms "Mitek," "Company," "we," "us," and "our" refer to Mitek Systems, Inc., a Delaware corporation.

(ii)

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MITEK SYSTEMS, INC
BALANCE SHEETS

	June 30, 2010 (Unaudited)	September 30, 2009
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,495,428	\$ 674,115
Accounts receivable including related party of \$1,485 and \$10,003, respectively, net of allowance of \$6,003 and \$24,268, respectively	554,403	360,817
Deferred maintenance fees	99,353	60,683
Inventory, prepaid expenses and other current assets	90,715	49,910
Total current assets	2,239,899	1,145,525
PROPERTY AND EQUIPMENT-net	39,559	60,367
SOFTWARE DEVELOPMENT COSTS-net	262,885	365,753
OTHER LONG-TERM ASSETS	49,538	29,465
TOTAL ASSETS	\$ 2,591,881	\$ 1,601,110
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 335,254	\$ 356,305
Accrued payroll and related taxes	230,109	206,197
Deferred revenue	809,097	700,714
Deferred rent, current	9,193	118,732
Other accrued liabilities	40,647	44,023
Total current liabilities	1,424,300	1,425,971
LONG-TERM LIABILITIES:		
Convertible debt	587,339	-
Deferred rent, non-current	42,350	49,374
Total long-term liabilities	629,689	49,374
TOTAL LIABILITIES	2,053,989	1,475,345
STOCKHOLDERS' EQUITY:		
Preferred stock, \$0.001 par value, 1,000,000 shares authorized, none issued and outstanding		