

LIQUIDMETAL TECHNOLOGIES INC

Form 10-Q

November 13, 2012

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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 September 30, 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 No. 001-31332

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LIQUIDMETAL TECHNOLOGIES, INC.  
(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

33-0264467  
(I.R.S. Employer Identification No.)

30452 Esperanza  
Rancho Santa Margarita, CA 92688  
(Address of principal executive office, zip code)

Registrant's telephone number, including area code: (949) 635-2100

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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

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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

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 common shares outstanding as of November 1, 2012 was 216,202,196.

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LIQUIDMETAL TECHNOLOGIES, INC.

FORM 10-Q  
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

#### FORWARD-LOOKING INFORMATION

This Quarterly Report on Form 10-Q of Liquidmetal Technologies, Inc. contains “forward-looking statements” that may state our management’s plans, future events, objectives, current expectations, estimates, forecasts, assumptions or projections about the company and its business. Any statement in this report that is not a statement of historical fact is a forward-looking statement, and in some cases, words such as “believes,” “estimates,” “projects,” “expects,” “intends,” “anticipates,” “plans,” “seeks,” and similar expressions identify forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual outcomes and results to differ materially from the anticipated outcomes or results. These statements are not guarantees of future performance, and undue reliance should not be placed on these statements. It is important to note that our actual results could differ materially from what is expressed in our forward-looking statements due to the risk factors described in the section of our Annual Report on Form 10-K for the year ended December 31, 2011 titled “Risk Factors,” the section of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 titled “Risk Factors,” and the section of this Quarterly Report titled “Risk Factors,” as well as the following risks and uncertainties:

Our ability to fund our operations in the short and long term through financing transactions on terms acceptable to us, or at all;

Our history of operating losses and the uncertainty surrounding our ability to achieve or sustain profitability;

Our limited history of developing and selling products made from our bulk amorphous alloys;

Lengthy customer adoption cycles and unpredictable customer adoption practices;

Our ability to identify, develop, and commercialize new product applications for our technology;

Competition from current suppliers of incumbent materials or producers of competing products;

Our ability to identify, consummate, and/or integrate strategic partnerships;

The potential for manufacturing problems or delays; and

Potential difficulties associated with protecting or expanding our intellectual property position.

We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I  
FINANCIAL INFORMATION  
Item 1 –Financial Statements

LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(in thousands, except par value and share data)

	September 30, 2012 (Unaudited)	December 31, 2011 (Audited)
<b>ASSETS</b>		
Current assets:		
Cash	\$8,701	\$122
Trade accounts receivable, net of allowance for doubtful accounts of \$0 and \$0	98	241
Related party notes receivable	200	200
Prepaid expenses and other current assets	846	248
Total current assets	\$9,845	\$811
Property and equipment, net	154	162
Patents and trademarks, net	901	968
Other assets	32	52
Total assets	\$10,932	\$1,993
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	235	803
Accrued liabilities	170	457
Accrued dividends	222	571
Deferred revenue	-	67
Short-term debt	-	1,712
Convertible note, net of debt discount of \$8,177	2,823	-
Embedded conversion feature liability	6,080	-
Total current liabilities	\$9,530	\$3,610
Long-term liabilities		
Warrant liabilities	5,302	-
Other long-term liabilities	856	609
Total liabilities	\$15,688	\$4,219
Shareholders' deficit:		
Convertible, redeemable Series A Preferred Stock, \$0.001 par value; 10,000,000 shares authorized; 506,936 and 1,299,151 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively	-	1
Common stock, \$0.001 par value; 400,000,000 shares authorized; 196,962,069 and 134,467,554 shares issued and outstanding at September 30, 2012 and December 31, 2011, respectively	193	130

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Warrants	18,179	24,438
Additional paid-in capital	163,771	149,064
Accumulated deficit	(186,899 )	(175,859 )
Total shareholders' deficit	\$(4,756 )	\$(2,226 )
Total liabilities and shareholders' deficit	\$10,932	\$1,993

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

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LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS  
 (in thousands, except per share data)  
 (unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011 (Restated)	2012	2011 (Restated)
Revenue				
Products	\$80	\$112	\$471	\$345
Licens				