

MPHASE TECHNOLOGIES INC  
Form 10-Q/A  
April 19, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q/A**

Q QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934.  
FOR THE QUARTER ENDED **September 30, 2009**

COMMISSION FILE NO. **000-30202**

**mPhase Technologies, Inc.**

(Exact name of registrant as specified in its charter)

<b>NEW JERSEY</b> (State or other jurisdiction of incorporation or organization)	<b>22-2287503</b> (I.R.S. Employer Identification Number)
<b>587 CONNECTICUT AVE., NORWALK, CT</b> (Address of principal executive offices)	<b>06854-1711</b> (Zip Code)

**(203) 838-2741**  
ISSUER'S TELEPHONE NUMBER

**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 SHORTER PERIOD THAT THE REGISTRANT WAS  
REQUIRED TO FILE SUCH REPORT), AND (2) HAS BEEN SUBJECT TO SUCH FILING  
REQUIREMENTS FOR THE PAST 90 DAYS.**

**YES [X] NO [ ]**

**THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE REGISTRANT'S CLASSES OF  
COMMON STOCK AS OF NOVEMBER 2, 2009 IS 1,026,658,256 SHARES, ALL OF ONE CLASS OF \$.01  
PAR VALUE COMMON STOCK.**

mPHASE TECHNOLOGIES, INC.  
(A Development Stage Company)  
**Consolidated Balance Sheets**

	June 30, 2009	September 30, 2009 (Unaudited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 100,138	\$ 867,295
Accounts receivable	46,065	23,193
Prepaid and other current assets	153,636	148,149
<b>Total Current Assets</b>	<b>299,839</b>	<b>1,038,637</b>
Property and equipment, net	39,648	91,469
Note receivable	3,150,000	4,582,000
<b>TOTAL ASSETS</b>	<b>\$ 3,489,487</b>	<b>\$ 5,712,106</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,864,955	\$ 1,850,365
Accrued expenses	482,388	397,245
Due to related parties	369,920	51,875
Notes payable, related parties	1,332,400	1,511,514
Short term notes	240,820	240,820
Current Portion, Long term debt	-	9,419
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 4,290,483</b>	<b>\$ 4,061,238</b>
Long term portion Equipment loan	-	35,600
Convertible debt derivative liability - (Note 4)	2,380,816	1,961,370
Convertible debentures net of discount of \$1,385,395 and \$2,404,019 on June 30, 2009 and Sept 30, 2009 respectively (Note 4)	2,052,355	2,957,981
<b>TOTAL LIABILITIES</b>	<b>\$ 8,723,654</b>	<b>\$ 9,016,189</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 6)</b>		
<b>STOCKHOLDERS' DEFICIT</b>		
Common stock, par value \$.01, 2,000,000,000 shares authorized 870,419,882 and 1,006,285,037 shares issued and outstanding at June 30, 2009 and Sept.30, 2009 respectively	8,704,198	10,062,850
Additional paid in capital	172,861,427	173,829,801
Deficit accumulated during development stage	(186,791,819)	(187,188,761)
Less-Treasury stock, 13,750 shares at cost	(7,973)	(7,973)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>\$ (5,234,167)</b>	<b>\$ (3,304,083)</b>

<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$</b>	<b>3,489,487</b>	<b>\$</b>	<b>5,712,106</b>
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The accompanying notes are an integral part of these consolidated financial statements.

mPHASE TECHNOLOGIES, INC.  
(A Development Stage Company)  
**Consolidated Statements of Operations**  
(unaudited)

	For the Three Months ended		Date of
	Sept 30,		Inception to
	2008	2009	Sept 30, 2009
REVENUES	\$ 6,266	\$ 51,837	\$ 22,800,455
<b>COSTS AND EXPENSES</b>			
Cost of Sales	0	0	16,424,692
Research and Development (including non-cash stock related charges of \$93,600, \$0 and \$2,503,719 for the three months ended Sept 30, 2008, 2009 and inception to date respectively)	387,676	514,326	60,730,499
General and Administrative (including non-cash stock related charges of \$5,511,950, \$0 and \$67,844,914 for the three months ended Sept 30, 2008, 2009 and inception to date respectively)	6,239,260	420,824	119,446,777
Depreciation and Amortization	13,483	5,285	3,309,449
<b>TOTAL COSTS AND EXPENSES</b>	<b>6,640,419</b>	<b>940,435</b>	<b>\$ 199,911,417</b>
<b>LOSS FROM OPERATIONS</b>	<b>(6,634,153)</b>	<b>(888,598)</b>	<b>(177,110,962)</b>
<b>OTHER INCOME (EXPENSE)</b>			
Interest (Expense), net	(39,053)	(680,700)	(2,384,540)
Reparation, Impairment and Other (Expense) net	(198,372)	4,284	(8,506,423)
Change in Derivative Value and Debt Discount	553,880	1,168,070	813,164
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>316,455</b>	<b>491,654</b>	<b>(10,077,799)</b>
<b>NET (LOSS)</b>	<b>(\$6,317,698)</b>	<b>(\$396,944)</b>	<b>\$ (187,188,761)</b>
<b>LOSS PER COMMON SHARE, basic and diluted</b>	<b>(\$0.01)</b>	<b>(\$0.00)</b>	