

OptimizeRx Corp
Form 10-Q/A
November 23, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q /A

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **September 30, 2011**

Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: **000-53605**

OptimizeRx Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

26-1265381

(IRS Employer Identification No.)

407 6th Street

Rochester, MI, 48307

(Address of principal executive offices)

248-651-6568

(Registrant's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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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 (§ 229.405 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.

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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
14,192,496 shares as of November 14, 2011.

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EXPLANATORY NOTE

This Amendment No. 1 to the Quarterly Report on Form 10-Q/A (the “Amendment”) amends the Quarterly Report on Form 10-Q of OptimizeRx Corporation (the “Company”) for the quarter ended September 30, 2011 (the “Original Filing”), that was originally filed with the U.S. Securities and Exchange Commission on November 14, 2011. The Amendment is being filed to correct a disclosure made in Note 19 to the financial statements about not having proceeds as of November 7, 2011 in the Beringea arbitration. The Amendment revises that disclosure incorrect to state that proceeds were in fact received as of October 7, 2011.

Except as described above, the Amendment does not modify or update the disclosures presented in, or exhibits to, the Original Filing in any way. The Amendment continues to speak as of the date of the Original Filing. Furthermore, the Amendment does not reflect events occurring after the filing of the Original Filing. Accordingly, the Amendment should be read in conjunction with the Original Filing, as well as the Company’s other filings made with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act subsequent to the filing of the Original Filing.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our consolidated financial statements included in this Form 10-Q are as follows:

F-1 Consolidated Balance Sheets as of September 30, 2011 and December 31, 2010 (unaudited);

F-2 Consolidated Statements of Operations for the three months ended September 30, 2011 and 2010 (unaudited);

F-3 Consolidated Statements of Operations for the nine months ended September 30, 2011 and 2010 (unaudited);

F-4 Consolidated Statements of Cash Flow for the nine months ended September 30, 2011 and 2010 (unaudited);

F-5 Notes to Consolidated Financial Statements.

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended September 30, 2011 are not necessarily indicative of the results that can be expected for the full year.

Table of Contents**OPTIMIZERx CORPORATION****Consolidated Balance Sheets (Unaudited)
as of September 30, 2011 and December 31, 2010**

ASSETS

	September 30, 2011	December 31, 2010
Current Assets		
Cash and cash equivalents	\$1,019,315	\$1,278,094
Accounts receivable	121,745	226,000
Prepaid expenses	196,456	80,051
Debt discount-current portion	-0-	500,000
Total Current Assets	1,337,516	2,084,145
Property and equipment, net	11,702	13,061
Other Assets		
Patent rights, net	861,618	902,647
Website development costs, net	438,761	332,107
Debt discount-net of current portion	-0-	416,667
Total Other Assets	1,300,379	1,651,421
TOTAL ASSETS	\$2,649,597	\$3,748,627

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts payable - trade	\$29,140	\$38,409
Accounts payable - related party	570,000	570,000
Accrued expenses	-0-	5,700
Accrued interest	-0-	15,000
Deferred revenue	140,300	225,720
Total Current Liabilities	739,440	854,829
Long-Term Liabilities		
Notes payable - investor	-0-	1,000,000
Total Liabilities	739,440	1,854,829
Stockholders' Equity		
Common stock, \$.001 par value, 500,000,000 shares authorized, 14,192,496 shares issued and outstanding (13,606,676 - 2010)	14,192	13,607
Preferred stock, \$.001 par value, 10,000,000 shares authorized, 65 shares issued and outstanding (50 - 2010)	-0-	-0-
Stock warrants	20,826,934	20,281,328

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Additional paid-in-capital	4,942,777	3,355,615
Accumulated deficit	(23,873,746)	(21,756,752)
Total Stockholders' Equity	1,910,157	1,893,798
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$2,649,597	\$3,748,627

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

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Table of Contents**OPTIMIZERx CORPORATION****Consolidated Statements of Operations (Unaudited)****for the Three Months Ended September 30, 2011 and 2010**

	For the three months ended September 30, 2011	For the three months ended September 30, 2010
REVENUE		
Sales	\$ 191,593	\$ 40,676
TOTAL REVENUE	191,593	40,676
EXPENSES		
Operating expenses	482,635	545,889
TOTAL EXPENSES	482,635	545,889
OPERATING LOSS	(291,042)	(505,213)
OTHER INCOME (EXPENSE)		
Interest income	206	635
Interest expense	(678,543)	-0-
TOTAL OTHER INCOME (EXPENSE)	(678,337)	635
LOSS BEFORE PROVISION FOR INCOME TAXES	(969,379)	(504,578)
PROVISION FOR INCOME TAXES	-0-	-0-
NET LOSS	\$(969,379)	\$(504,578)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: BASIC AND DILUTED	13,989,959	13,233,754
NET LOSS PER SHARE: BASIC AND DILUTED	\$(0.07)	\$(0.04)

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

Table of Contents**OPTIMIZERx CORPORATION****Consolidated Statements of Operations (Unaudited)****for the Nine Months Ended September 30, 2011 and 2010**

	For the nine months ended September 30, 2011	For the nine months ended September 30, 2010
REVENUE		
Sales	\$785,610	\$58,679
TOTAL REVENUE	785,610	58,679
EXPENSES		
Operating expenses	1,445,070	1,701,067
TOTAL EXPENSES	1,445,070	1,701,067
NET OPERATING LOSS	(659,460)	(1,642,388)
OTHER INCOME (EXPENSE)		
Interest income	1,041	2,165
Other income	66	-0-
Interest expense	(958,641)	(226)
TOTAL OTHER INCOME (EXPENSE)	(957,534)	1,939
LOSS BEFORE PROVISION FOR INCOME TAXES	(1,616,994)	(1,640,449)
PROVISION FOR INCOME TAXES	-0-	-0-
NET LOSS	\$(1,616,994)	\$(1,640,449)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING: BASIC AND DILUTED	13,830,401	13,057,058
NET LOSS PER SHARE: BASIC AND DILUTED	\$(0.12)	\$(0.13)

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

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Table of Contents**OPTIMIZERx CORPORATION****Consolidated Statements of Cash Flows (Unaudited)****for the Nine Months Ended September 30, 2011 and 2010**

	For the nine months ended September 30, 2011	For the nine months ended September 30, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the period	\$(1,616,994)	\$(1,640,449)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	90,149	24,417
Stock issued for services	83,992	201,140
Stock options issued for compensation	106,861	-0-
Amortization of debt discount	916,667	98,935
Changes in:		
Accounts receivable	104,255	(21,210)
Prepaid expenses	(116,405)	(2,495)
Accounts payable	(9,269)	24,188
Accrued interest	(15,000)	-0-
Accrued expenses	(63,200)	(4,605)
Deferred revenue	(85,420)	-0-
NET CASH USED BY OPERATING ACTIVITIES	(604,364)	(1,320,079)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	-0-	(1,230)
License fees	-0-	(15,000)
Website site development costs	(154,415)	(154,460)
NET CASH USED BY INVESTING ACTIVITIES	(154,415)	(170,690)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock	-0-	8,750
Issuance of preferred stock	855,460	1,500,000
Issuance of warrants in connection with preferred stock	644,540	-0-
Payments on loan payable	(1,000,000)	-0-
NET CASH PROVIDED BY FINANCING ACTIVITIES	500,000	1,508,750
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(258,779)	17,981
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	1,278,094	656,394

CASH AND CASH EQUIVALENTS - END OF PERIOD	\$1,019,315	\$674,375
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	\$-0-	\$226
Cash paid for income taxes	\$-0-	\$-0-
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Common stock issued to satisfy dividends related to preferred stock	\$500,000	\$-0-
Conversion of warrants to common stock	\$-0-	\$153,816
Common stock issued for settlement of equity issuance costs	\$115,000	\$—
Payable issued for equity issuance costs	\$57,500	\$—

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

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OPTIMIZER_x CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

NOTE 1 – NATURE OF BUSINESS

Optimizer Systems, LLC was formed in the State of Michigan on January 31, 2006. It then became a corporation in the State of Michigan on October 22, 2007 and changed its name to OptimizeRx Corporation. On April 14, 2008, RFID, Ltd., a Colorado corporation, consummated a reverse merger by entering into a share exchange agreement with the stockholders of OptimizeRx Corporation, pursuant to which the stockholders of OptimizeRx Corporation exchanged all of the issued and outstanding capital stock of OptimizeRx Corporation for 1,256,958 shares of common stock of RFID, Ltd., representing 100% of the outstanding capital stock of RFID, Ltd. As of April 30, 2008, RFID's officers and directors resigned their positions and RFID changed its business to OptimizeRx's business. On April 15, 2008, RFID, Ltd.'s corporate name was changed to OptimizeRx Corporation. On September 4, 2008, a migratory merger was completed, thereby changing the state of incorporation from Colorado to Nevada, resulting in the current corporate structure, in which OptimizeRx Corporation, a Nevada corporation, is the parent corporation, and OptimizeRx Corporation, a Michigan corporation, is a wholly-owned subsidiary (together, "OptimizeRx" and "the Company").

The wholly-owned subsidiary, OptimizeRx Corporation, is a technology solutions company targeting the health care industry. Their objective is to bring better access to better care through connecting patients, physicians and pharmaceutical manufacturers through technology. Once defined as a marketing and advertising company through its consumer website, OptimizeRx is maturing as a technology solutions provider as it launched its direct to physician solution, SampleMD. SampleMD allows physicians to search, print and send available sample trial vouchers and/or co-pay coupons on behalf of their patients. The SampleMD solution can either sit on the doctor's desktop or can be integrated into the ePrescribing or Electronic Medical Records applications. OptimizeRx solutions provide pharmaceutical manufacturers either a direct to consumer and/or direct to physician channels for communicating and promoting their products. It provides health care providers a means to provide sampling and coupons without having to physically store samples on site, and it provides better access and affordability to the patients.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's Form 10-K filed with the SEC as of and for the period ended December 31, 2010. In the

opinion of management, all adjustments necessary for the financial statements to be not misleading for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Accounting Basis

The Company uses the accrual basis of accounting and accounting principles generally accepted in the United States of America ("GAAP" accounting). The Company has adopted a December 31 fiscal year end.

Principles of Consolidation

The financial statements reflect the consolidated results of OptimizeRx Corporation (a Nevada corporation) and its wholly owned subsidiary OptimizeRx Corporation (a Michigan corporation). All material inter-company transactions have been eliminated in the consolidation.

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OPTIMIZERx CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINU