

Midwest Energy Emissions Corp.
Form 10-Q
May 15, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 March 31, 2014

Commission file number 000-33067

MIDWEST ENERGY EMISSIONS CORP.
(Exact name of Registrant as Specified in its Charter)

Delaware 87-0398271
(State or other jurisdiction of incorporation (I.R.S. Employer Identification No.)
or organization)

500 West Wilson Bridge Road, Suite 140
Worthington, Ohio 43085
(Address of principal Executive offices) (Zip Code)

(614) 505-6115
(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 x No o

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 x No o

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 definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined by 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: Common, \$.001 par value per share; 39,175,200 outstanding as of May 14, 2014.

MIDWEST ENERGY EMISSIONS CORP.

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PART I

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements,” as defined in Section 21E of the Securities Exchange Act of 1934, as amended, that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and reflect our current expectations regarding our future growth, results of operations, cash flows, performance and business prospects, and opportunities, as well as assumptions made by, and information currently available to, our management. Forward-looking statements are generally identified by using words such as “anticipate,” “believe,” “plan,” “expect,” “intend,” “will,” and similar expressions, but these words are not the exclusive means of identifying forward-looking statements. Forward-looking statements in this report are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed in or implied by the statements. These statements are based on information currently available to us and are subject to various risks, uncertainties, and other factors, including, but not limited to, those discussed under the caption “Risk Factors in the Company’s 2013 Form 10-K”. In addition, matters that may cause actual results to differ materially from those in the forward-looking statements include, among other factors, the gain or loss of a major customer, change in environmental regulations, disruption in supply of materials, a significant change in general economic conditions in any of the regions where our customer utilities might experience significant changes in electric demand, a significant disruption in the supply of coal to our customer's units, the loss of key management personnel, failure to obtain adequate working capital to execute the business plan and any major litigation regarding the Company. Except as expressly required by the federal securities laws, we undertake no obligation to update such factors or to publicly announce the results of any of the forward-looking statements contained herein to reflect future events, developments, or changed circumstances or for any other reason.

PART I – FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES

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Period Ended March 31, 2014

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MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS
MARCH 31, 2014 AND DECEMBER 31, 2013

	March 31, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 271,865	\$ 509,605
Accounts receivable	713,400	383,859
Inventory work in process	940,817	-
Prepaid expenses and other assets	60,527	63,132
Total current assets	1,986,609	956,596
Property and equipment, net	131,036	173,072
License, net	69,118	70,589
Prepaid expenses and other assets	21,104	23,539
Debt issuance costs, net	634,990	700,011
Customer acquisition costs	1,120,500	-
Total assets	\$ 3,963,357	\$ 1,923,807
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,019,936	\$ 275,145
Accrued legal and consulting fees	443,513	365,348
Accrued salaries and benefits	471,947	377,213
Accrued interest - related party	247,790	247,696
Deferred revenue	1,075,200	-
Customer credits	970,500	-
Advances payable - related party	4,167	4,167
Convertible note payable of discontinued operations	-	50,000
Notes payable	300,000	300,000
Current liabilities of discontinued operations	250,000	261,036
Total current liabilities	4,783,053	1,880,605
Convertible promissory notes payable	4,913,228	4,675,673
Accrued interest	159,645	273,877
Total liabilities	9,855,926	6,830,155
Stockholders' deficit		
Preferred stock, \$.001 par value: 2,000,000 shares authorized	-	-
Common stock; \$.001 par value; 100,000,000 shares authorized; 38,181,658 shares issued and outstanding as of March 31, 2014		

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35,299,429 shares issued and outstanding as of December 31, 2013	38,181	35,299
Additional paid-in capital	16,202,636	13,789,473
Deficit accumulated during development stage	(22,133,386)	(18,731,120)
Total stockholders' deficit	(5,892,569)	(4,906,348)
Total liabilities and stockholders' deficit	\$ 3,963,357	\$ 1,923,807

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

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MIDWEST ENERGY EMISSIONS CORP AND SUBSIDIARIES
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS