

HealthWarehouse.com, Inc.
Form 10-Q
October 22, 2013

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 30, 2013

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-13117

HealthWarehouse.com, Inc.
(Exact Name of Registrant as Specified in Its Charter)
Delaware
(State or Other Jurisdiction
of Incorporation or Organization)

22-2413505
(I.R.S. Employer
Identification No.)

7107 Industrial Road, Florence, Kentucky
(Address of Principal Executive Offices)

41042
(Zip Code)

(800) 748-7001
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 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.

Large Accelerated Filer

Accelerated Filer

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Non-accelerated Filer

Smaller Reporting Company

(Do not check if a 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 26,529,091 shares of Common Stock outstanding as of October 18, 2013.

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HEALTHWAREHOUSE.COM, INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2013

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

HEALTHWAREHOUSE.COM, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2013 (unaudited)	December 31, 2012
Assets		
Current assets:		
Cash	\$ 808	\$ -
Restricted cash	-	850,002
Accounts receivable, net	288,901	214,973
Inventories - finished goods, net	357,597	395,584
Prepaid expenses and other current assets	53,107	52,292
Total current assets	700,413	1,512,851
Property and equipment, net	748,124	768,021
Total assets	\$ 1,448,537	\$ 2,280,872
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Accounts payable – trade	\$ 2,768,410	\$ 2,973,774
Accounts payable – related parties	184,983	147,933
Accrued expenses and other current liabilities	625,188	1,942,769
Deferred revenue	18,605	73,787
Current portion of equipment lease payable	52,565	49,122
Convertible notes	-	1,000,000
Notes payable and other advances, net of debt discount of \$0 and \$44,363 as of June 30, 2013 and December 31, 2012, respectively	40,000	1,955,637
Note payable and other advances – related parties	-	765,000
Redeemable preferred stock - Series C; par value \$0.001 per share; 10,000 designated Series C: 10,000 issued and outstanding as of June 30, 2013 and December 31, 2012 (aggregate liquidation preference of \$1,000,000)	1,000,000	1,000,000
Total current liabilities	4,689,751	9,908,022
Long term liabilities:		
Long term portion of equipment lease payable	139,005	166,286
Note payable, net of debt discount of \$247,900 as of June 30, 2013	225,100	-

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Total long term liabilities	364,105	166,286
Total liabilities	5,053,856	10,074,308
Commitments and contingencies		
Stockholders' deficiency:		
Preferred stock – par value \$0.001 per share; authorized 1,000,000 shares; issued and outstanding as of June 30, 2013 and December 31, 2012 as follows:		
Convertible preferred stock - Series A – 200,000 shares designated Series A; 44,443 shares available to be issued; no shares issued and outstanding	-	-
Convertible preferred stock - Series B – 625,000 shares designated Series B; 422,315 and 394,685 shares issued and outstanding as of June 30, 2013 and December 31, 2012 , respectively (aggregate liquidation preference of \$4,130,557 and \$3,990,877 as of June 30, 2013 and December 31, 2012, respectively)	422	395
Common stock – par value \$0.001 per share; authorized 50,000,000 shares; 27,100,119 and 13,030,397 shares issued and 25,920,907 and 11,851,185 shares outstanding as of June 30, 2013 and December 31, 2012, respectively	27,100	13,031
Additional paid-in capital	26,698,877	16,460,385
Employee advances	(63,574)	(18,858)
Treasury stock, at cost, 1,179,212 shares as of June 30, 2013 and December 31, 2012	(3,419,715)	(3,419,715)
Accumulated deficit	(26,848,429)	(20,828,674)
Total stockholders' deficiency	(3,605,319)	(7,793,436)
Total liabilities and stockholders' deficiency	\$ 1,448,537	\$ 2,280,872