

ISSUER DIRECT CORP  
Form 10-Q  
May 06, 2013

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: March 31, 2013

or

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

For the transition period from: \_\_\_\_\_ to \_\_\_\_\_

ISSUER DIRECT CORPORATION  
(Exact name of registrant as specified in its charter)

Delaware	1-10185	26-1331503
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

500 Perimeter Park Drive, Suite D, Morrisville NC 27560  
(Address of Principal Executive Office) (Zip Code)

(919) 481-4000  
(Registrant's telephone number, including area code)

N/A  
(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  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the

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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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act)  Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date 1,947,259 shares of common stock were issued and outstanding as of May 6, 2013.

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Exhibit 31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002
Exhibit 31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002
Exhibit 32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002
Exhibit 32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002

Ex-101.Ins	XBRL Instance Document
Ex-101.Sch	XBRL Taxonomy Extension Schema
Ex-101.Cal	XBRL Taxonomy Extension Calculation Linkbase
Ex-101.Def	XBRL Taxonomy Extension Definition Linkbase
Ex-101.Lab	XBRL Taxonomy Extension Label Linkbase
Ex-101.Pre	XBRL Taxonomy Extension Presentation Linkbase

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## PART I – FINANCIAL INFORMATION

## ITEM FINANCIAL STATEMENTS

1.

ISSUER DIRECT CORPORATION  
CONSOLIDATED BALANCE SHEETS

	March 31, 2013 (unaudited)	December 31, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,257,862	\$ 1,250,643
Accounts receivable, (net of allowance for doubtful accounts of \$149,703 and \$117,030, respectively)	745,654	544,684
Deferred income tax asset – current	49,000	49,000
Other current assets	24,561	38,710
Total current assets	2,077,077	1,883,037
Furniture, equipment and improvements, net	75,093	55,611
Deferred income tax – noncurrent	159,000	159,000
Intangible assets (net of accumulated amortization of \$214,500 and \$187,666, respectively)	404,696	431,529
Other noncurrent assets	12,069	12,069
Total assets	\$ 2,727,935	\$ 2,541,246
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 110,390	\$ 62,886
Accrued expenses	99,148	37,347
Income taxes payable	124,592	226,406
Deferred revenue	90,688	112,906
Line of credit	75,000	150,000
Total current liabilities	499,818	589,545
Other long term liabilities	100,099	105,554
Total liabilities	599,917	695,099
Stockholders' equity:		
Preferred stock, \$0.001 par value, 30,000,000 shares authorized, no shares issued and outstanding as of March 31, 2013 and December 31, 2012.	-	-
Common stock \$.001 par value, 100,000,000 shares authorized, 1,947,259 and 1,937,329 shares issued and outstanding as of March 31, 2013 and December 31, 2012, respectively.	1,947	1,937
Additional paid-in capital		2,136,692 2,070,369
Accumulated deficit		(10,621 ) (226,159 )
Total stockholders' equity		2,128,018 1,846,147
Total liabilities and stockholders' equity		\$2,727,935 \$2,541,246

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

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## ISSUER DIRECT CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	For the Three Months Ended	
	March 31, 2013	March 31, 2012
Revenues	\$1,411,228	\$796,594
Cost of services	398,890	356,694
Gross profit	1,012,338	439,900
Operating costs and expenses:		
General and administrative	408,601	289,296
Sales and marketing expenses	201,017	212,544
Depreciation and amortization	34,935	36,068
Total operating costs and expenses	644,553	537,908
Operating income (loss)	367,785	(98,008 )
Interest income (expense), net	(247 )	3,572
Net income (loss) before taxes	367,538	(94,436 )
Income tax (expense) benefit	(152,000 )	37,500
Net income (loss)	\$215,538	\$(56,936