

GENIE GATEWAY
Form 10-Q
June 02, 2016
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

[X]

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

For the quarterly period ended March 31, 2016

[

] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number: 000-26927

GENIE GATEWAY

Edgar Filing: GENIE GATEWAY - Form 10-Q

(Exact name of registrant as specified in its charter)

Nevada

77-0443643

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

4570 South Eastern Ave., Suite 26-221

Las Vegas, Nevada

89119

(Address of principal executive offices)

(Zip Code)

(702) 803-9000

Registrant's telephone number, including area code

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

(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

Edgar Filing: GENIE GATEWAY - Form 10-Q

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 X

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 _____

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company X

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

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Indicate by check mark whether the registrant filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes _____

No

Applicable only to corporate issuers:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of May 26, 2016, there were 23,217,005 shares of common stock, \$0.001 par value, issued and outstanding.

GENIE GATEWAY

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

ITEM	1 Financial Statements	4
ITEM	2 Management's Discussion and Analysis of Financial Condition and Results of Operations	16
ITEM	3 Quantitative and Qualitative Disclosures About Market Risk	20
ITEM	4 Controls and Procedures	20

PART II – OTHER INFORMATION

ITEM	1 Legal Proceedings	22
ITEM 1A	Risk Factors	22
ITEM	2 Unregistered Sales of Equity Securities and Use of Proceeds	22
ITEM	3 Defaults Upon Senior Securities	22
ITEM	4 Mine Safety Disclosures	22
ITEM	5 Other Information	22
ITEM	6 Exhibits	23

PART I – FINANCIAL INFORMATION

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements are based on management’s beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning our possible or assumed future results of operations set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Forward-looking statements also include statements in which words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” “consider,” or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties, and assumptions. Our future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

ITEM 1 Consolidated Financial Statements

The unaudited condensed consolidated interim financial statements of registrant for the three months ended March 31, 2016 and 2015 are below. The unaudited condensed consolidated interim financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. All such adjustments are of a normal and recurring nature.

**Genie Gateway
Consolidated Balance Sheets**

	March 31, 2016 (Unaudited)	December 31, 2015
<u>ASSETS</u>		
Current assets:		
Cash	\$ 10,567	\$ 75,144
Accounts Receivable	125,589	32,755
Prepaid Expenses	5,000	5,000
Other current assets	800,000	800,000
Total current assets	941,156	912,899
Property and Equipment (net)	146,892	145,605
Total Assets	\$ 1,088,048	\$ 1,058,504

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Accounts payables		96,597	80,730
Accrued expenses		135,008	139,399
Current portion of long term debt		2,000	3,500
Total current liabilities		233,605	223,629
Long term debt		11,875	11,875
Total liabilities	\$	245,480	\$ 235,504
Stockholders' equity:			
Preferred stock, \$0.001 par value, 100,000,000 shares authorized 10,000,000 shares issued and outstanding		2,000	2,000
Common stock, \$0.001 par value, 500,000,000 shares authorized; 23,217,005 shares issued and outstanding		350,358	350,358
Additional paid-in capital		992,486	992,486
Retained earnings		(388,628)	(408,196)
Recapitalization pursuant to reverse acquisition		(113,648)	(113,648)
Total stockholders' equity:		842,568	823,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	1,088,048	\$ 1,058,504

The accompanying notes are integral part of these financials statements.

**Genie Gateway
Consolidated Statements of Operations**

	Three Months Ended March 31,		
	2016		2015
	(Unaudited)		
Net revenues:			
Revenue from Cable/Internet sales	\$	108,938	\$ 116,347
Royalty revenue		100,000	-
Total net revenues		208,938	116,347
Cost of Goods Sold		45,677	56,224

Gross Income	163,261	60,123
Operating expenses:		
General, selling and administrative expenses	98,836	80,294
Salaries and wages	43,726	24,842
Depreciation	900	4,142
Total operating expenses	143,462	109,278
Income (loss) from operations	19,800	(49,155)
Other income (expense)		
Interest income (expense)	(521)	(579)
Gain (loss) on derivative liability	-	(10,153)
Other income (expense)	290	19,250
Total other income (expense)	(231)	8,518
Income (loss) before income tax	19,569	(40,637)
Provision for income taxes		
Net income (loss)	\$ 19,569	\$ (40,637)
Basic income (loss) per share	\$ -	\$ -
Diluted income (loss) per share	\$ -	\$ -
Weighted average shares - Basic	167,434,410	167,434,410
Weighted average shares - Diluted	167,434,410	167,434,410

The accompanying notes are integral part of these financials statements.

Genie Gateway
Condensed Statements of Cash Flows

For the Three Months Ended March 31,
2016 **2015**

(Unaudited)

**CASH FLOWS FROM OPERATING
ACTIVITIES**

Net income (loss)	\$	19,569	\$	(40,637)
--------------------	----	--------	----	----------

Edgar Filing: GENIE GATEWAY - Form 10-Q

Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	900	4,142
Amortization of discount	-	-
(Gain) Loss on re-measurement of derivative	-	10,153
Changes in operating Assets and Liabilities:		
Decrease (increase) in:		
Accounts receivable	(92,834)	2,669
Prepaid Expenses	-	-
Other current assets	-	(6,155)
Increase (decrease) in:		
Accounts Payable	15,867	(23,692)
Accrued Expenses	(4,391)	43,645
Note Payable	(1,500)	-
Net Cash Provided (Used) in Operating Activities	(62,389)	(9,875)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,188)	-
Net Cash Provided (Used) by Investing Activities	(2,188)	-
CASH FLOWS FROM FINANCING ACTIVITIES		