

Waytronx, Inc.  
Form 10-Q  
November 14, 2008

WAYTRONX, INC.

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

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FORM 10-Q

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

For quarter ended September 30, 2008

Commission File Number 0-29195

WAYTRONX, INC.

(Name of Small Business Issuer in Its Charter)

Colorado  
(State or jurisdiction of  
incorporation or organization)

(3990)  
(Primary Standard Industrial  
Classification Code Number)

84-1463284  
(I.R.S. Employer  
Identification No.)

20050 SW 112th Avenue  
Tualatin, Oregon 97062  
(503) 612-2300.

(Address and Telephone Number of Principal Executive Offices and Principal Place of Business)

William J. Clough, CEO/President  
Waytronx, Inc.  
20050 SW 112th Avenue  
Tualatin, Oregon 97062  
(503) 612-2300.

(Name, Address and Telephone Number of Agent for Service)

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 "

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

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

As of November 14, 2008, there were 167,208,406 shares of the Company's common stock outstanding, 50,543 shares of Series A Convertible Preferred Stock outstanding, no shares of Series B and Series C Convertible Preferred Stock outstanding.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

Waytronx, Inc.  
Condensed Balance Sheets

	September 30, 2008 (unaudited)	December 31, 2007
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 296,971	\$ 42,639
Trade accounts receivable, net of allowance of \$115,000	3,808,228	7,000
Other accounts receivable, related party	221,260	-
Inventories, net	3,293,041	88,350
Prepaid expenses and other	407,897	20,160
Total current assets	8,027,397	158,149
Property and equipment, net	1,260,243	20,641
<b>Other assets:</b>		
Investment in securities available for sale	119,814	-
Technology rights, net	4,193,830	4,321,493
Patent costs, net	777,839	654,861
Other intangible assets, net	31,955	-
Deposits and other	55,738	58,710
Notes receivable, net	-	91,500
Goodwill, net	32,674,837	-
Total other assets	37,854,013	5,126,564
Total assets	\$ 47,141,653	\$ 5,305,354
<b>Liabilities and stockholders' equity:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 754,026	\$ 294,327
Preferred stock dividends payable	5,054	5,054
Demand notes payable	2,284,600	-
Demand notes payable, related party	14,470	-
Accrued expenses	1,184,729	135,898
Accrued compensation	184,313	90,858
Deferred revenue	90	13,080
Notes payable, current portion due	48,265	-
Notes payable, related party, current portion due	1,239,109	-
Convertible notes payable, net of discounts of \$0 and \$55,165, respectively	1,950,000	1,594,834
Total current liabilities	7,664,656	2,134,051
Long term notes payable, net of current portion due of \$48,265	6,108,396	100,000
Long term notes payable, related party, net of current portion due of \$239,109 and discounts of \$712,639	13,048,252	1,000,000
Long term convertible notes payable, related party, net of discounts of \$6,312,595	11,187,405	-
Total liabilities	38,008,709	3,234,051

Commitments and contingencies	-	-
Stockholders' equity:		
Preferred stock, par value \$0.001; 10,000,000 shares authorized		-
Convertible Series A preferred stock, 5,000,000 shares authorized, 50,543 and 75,543 shares issued and outstanding liquidation preference of \$50,543 and \$75,543 at September 30, 2008 and December 31, 2007, respectively	51	76
Convertible Series B preferred stock, 30,000 shares authorized, and no shares outstanding at September 30, 2008 and December 31, 2007	-	-
Common stock, par value \$0.001; 200,000,000 shares authorized, 163,509,406 and 156,780,626 shares issued and outstanding at September 30, 2008 and December 31, 2007, respectively	163,509	156,781
Additional paid-in capital	57,234,628	50,832,165
Subscription receivable	-	(200,000)
Accumulated deficit	(48,265,244)	(48,717,719)
Total stockholders' equity	9,132,944	2,071,303
Total liabilities and stockholders' equity	\$ 47,141,653	\$ 5,305,354

See accompanying notes to financial statements