

Net Medical Xpress Solutions, Inc.  
Form 10-Q  
August 14, 2015

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 June 30, 2015

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

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

COMMISSION FILE No. 333-30176

NET MEDICAL EXPRESS SOLUTIONS, INC.

(Exact name of Registrant as specified in charter)

NEVADA  
(State or other jurisdiction of  
incorporation or organization)

91-1287406  
(I.R.S. Employer Identification No.)

5021 Indian School Road, Suite 100

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Albuquerque, New Mexico 87110

(Address of principal executive offices) (Zip Code)

(505) 255-1999

(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 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 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

Non-accelerated filer

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

The number of shares outstanding of each of the issuer's classes of common stock at August 3, 2015 was 174,622,470.

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## USE OF PRONOUNS AND OTHER WORDS

The pronouns *we* , *us* , *our* and the equivalent used in this annual report mean Net Medical Xpress Solutions, Inc. and consolidated subsidiaries. In the notes to our financial statements, the *Company* means Net Medical Xpress Solutions, Inc. and consolidated subsidiaries. The pronoun *you* means the reader of this quarterly report.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This quarterly report on Form 10-Q, other reports we have file and will file pursuant to Section 15(d) of the Securities Exchange Act of 1934 and press releases we have issued and will issue will have contained and will contain, as the case may be, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are intended to enjoy the benefits of that act. Unless the context is otherwise, We use words such as *anticipate* , *assumption* , *believe* , *could* , *estimate* , *expect* , *forecast* , *intend* , *may* , *objective* , *outlook* , *plan* , *predict* , *project* and *projection* , *seek* , *should* , *will continue* , *will result* and *would* , or other such words, or pronouns and verbs or adverbs in the future tense and words and phrases that convey similar meaning and uncertainty of and information about future events or outcomes and statements about performance that is not an historical fact to identify these forward-looking statements. Such words and statements involve estimates, assumptions and uncertainties, which could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this document. All forward-looking statements concerning economic conditions, rates of growth, rates of income or values as may be included in this document are based on information available to us on the dates noted, and we assume no obligation to update any such forward-looking statements. It is important to note that our actual results may differ materially from those in such forward-looking statements due to fluctuations in interest rates, inflation, government regulations, economic conditions and competitive product and pricing pressures in the geographic and business areas in which we conduct operations, including our plans, objectives, expectations and intentions and other factors discussed elsewhere in this Report.

There are a number of important factors beyond our control that could cause actual results to differ materially from the results anticipated by these forward-looking statements. While we make these forward-looking statements based our beliefs and on various factors and using numerous assumptions using information available at the time we make these statements. Forward-looking statements (i) are neither predictions nor guaranties of future events or circumstances, and (ii) the assumptions, beliefs, expectations, forecasts and projections about future events may differ materially from actual results. You have no assurance the factors and assumptions we have used as a basis for forward-looking statements will prove to be materially accurate when the events they anticipate actually occur in the future; and, you should not place undue reliance on any such forward-looking statements. We undertake no obligation to publicly update any forward-looking statement to reflect developments occurring after the date of this annual report or after the date of any previous or subsequent report or any press release after publication.

**PART I FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

*Beginning on the following page*

**Net Medical Xpress Solutions, Inc.**

**Condensed Consolidated Balance Sheets**

**(Rounded to the nearest thousand)**

**(Unaudited)**

	June 30, 2015	December 31, 2014
<b>Assets</b>		
Current assets:		
Cash and equivalents	\$ 396,000	\$ 277,000
Accounts receivable, net of allowance of \$29,000 and \$29,000, respectively	558,000	581,000
Inventory	22,000	33,000
Prepaid expenses and other assets	150,000	65,000
Total current assets	1,126,000	956,000
Furniture, equipment and improvements, net of accumulated depreciation of \$682,000 and \$670,000, respectively	28,000	40,000
Security deposits	4,000	4,000
Goodwill	239,000	239,000
<b>Total Assets</b>	<b>\$ 1,397,000</b>	<b>\$ 1,239,000</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 670,000	\$ 764,000
Line of credit	-	20,000
Accrued expenses	168,000	70,000
Deferred revenue	6,000	3,000
Capital lease	8,000	8,000
Notes payable - related party	52,000	51,000
Total current liabilities	904,000	916,000
Long-term liabilities		
Notes payable - related party	2,000	2,000
Capital lease - long-term portion	5,000	9,000
Total long-term liabilities	7,000	11,000
Total liabilities	911,000	927,000
Stockholders' equity:		
Preferred stock, \$0.001 par value, 500,000 shares authorized, 0 shares		

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	issued and outstanding, as of 6/30/15 and 12/31/14, respectively	-	-
Common stock, \$0.001 par value, 200,000,000 shares authorized, 174,622,470 and 174,622,470 shares issued and outstanding as of 6/30/15 and 12/31/14, respectively		175,000	175,000
Paid-in capital		16,037,000	16,037,000
Subscriptions payable		21,000	21,000
Deferred compensation		(54,000)	(128,000)
Accumulated deficit		(15,693,000)	(15,793,000)
Total stockholders' equity (deficit)		486,000	312,000
<b>Total Liabilities and Stockholders' Equity</b>		<b>\$ 1,397,000</b>	<b>\$ 1,239,000</b>

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



**Net Medical Xpress Solutions, Inc.****Condensed Consolidated Statements of Operations****(Rounded to the nearest thousand)****(Unaudited)**

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Revenues				
Net Medical Xpress Services	\$ 724,000	\$ 935,000	\$ 1,506,000	\$ 1,915,000
Net Medical Xpress Specialists	281,000	132,000	632,000	242,000
Net Medical Xpress Solutions	103,000	107,000	192,000	221,000
Net Medical Xpress Staffing	20,000	-	38,000	67,000
Gross revenues	1,128,000	1,174,000	2,368,000	2,445,000
Cost of services	850,000	959,000	1,773,000	1,941,000
Gross profit	278,000	215,000	595,000	504,000
Operating costs and expenses:				