

ICEWEB INC
Form 10-Q
August 14, 2009

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 period ended June 30, 2009

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

For the transition period from _____ to _____

Commission file number: 0-27865

ICEWEB, INC.

(Exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-2640971
(I.R.S. Employer Identification No.)

22900 Shaw Road, Suite 111
Sterling, VA 20166
(Address of principal executive offices)

(571) 287-2388
(Issuer's telephone number)

205 Van Buren Street, Suite 150
Herndon, VA 20170
(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 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.

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: At August 13, 2009, there were 53,769,617 outstanding shares of common stock, \$.001 par value per share.

Transitional Small Business Disclosure Format (Check one): Yes No

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This quarterly report contains forward-looking statements. These forward-looking statements are subject to risks and uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. You should not unduly rely on these statements. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “project,” “contemplate,” “would,” “should,” “could,” or “may.” With respect to any forward-looking statement that includes a statement of its underlying assumptions or bases, we believe such assumptions or bases to be reasonable and have formed them in good faith, assumed facts or bases almost always vary from actual results, and the differences between assumed facts or bases and actual results can be material depending on the circumstances. When, in any forward-looking statement, we express an expectation or belief as to future results, that expectation or belief is expressed in good faith and is believed to have a reasonable basis, but there can be no assurance that the stated expectation or belief will result or be achieved or accomplished. All subsequent written and oral forward-looking statements attributable to us, or anyone acting on our behalf, are expressly qualified in their entirety by the cautionary statements.

OTHER PERTINENT INFORMATION

When used in this quarterly report, the terms “IceWEB”, the “Company”, “we”, “our,” and “us” refers to IceWEB, Inc., a Delaware corporation, and our subsidiaries. The information which appears on our web site at www.iceweb.com is not part of this quarterly report.

ICEWEB, INC. AND SUBSIDIARIES
FORM 10-Q
QUARTERLY PERIOD ENDED JUNE 30, 2009

INDEX

	Page
PART I - FINANCIAL INFORMATION	
Item 1 - Consolidated Financial Statements	4
Consolidated Balance Sheet (unaudited) at June 30, 2009 and September 30, 2008	4
Consolidated Statements of Operations (unaudited) For the three and nine months ended June 30, 2009 and 2008	5
Consolidated Statements of Cash Flows (unaudited) For the nine months ended June 30, 2009 and 2008	6
Notes to Unaudited Consolidated Financial Statements	7-19
Item 2 - Management's Discussion and Analysis or Plan of Operation	20-31
Item 3 - Quantitative and Qualitative Disclosures About Market Risk	31
Item 4 - Controls and Procedures	31
PART II - OTHER INFORMATION	
Item 1 - Legal Proceedings	32
Item 1A - Risk Factors	32
Item 2 - Unregistered Sales of Equity Securities and Use of Proceeds	32
Item 3 - Default upon Senior Securities	32
Item 4 - Submission of Matters to a Vote of Security Holders	32
Item 5 - Other Information	32
Item 6 - Exhibits	32
Signatures	33

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

ICEWEB, Inc.
Consolidated Balance Sheet
June 30, 2009
(Unaudited)

	June 30, 2009	September 30, 2008 (1)
CURRENT ASSETS:		
Cash	\$ 25,339	\$ 4,780
Accounts receivable, net of allowance for doubtful accounts of \$9,000	859,623	3,094,110
Inventory, net	107,204	400,312
Other current assets	28,704	21,572
Prepaid expenses	43,106	55,155
	1,063,976	3,575,929
OTHER ASSETS:		
Property and equipment, net of accumulated depreciation of \$1,505,014	993,079	1,169,369
Deposits	74,571	61,418
Intangible assets, net of accumulated amortization of \$303,862	850,816	1,132,612
Total Assets	\$ 2,982,442	\$ 5,939,328
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 1,277,169	\$ 7,762,872
Notes payable	1,773,445	1,372,565
Deferred revenue	11,101	13,164
	3,061,715	9,148,601
Long-Term Liabilities		
Notes Payable	1,252,085	956,520
Total Liabilities	4,313,800	10,105,121
Stockholders' Deficit		
Preferred stock (\$.001 par value; 10,000,000 shares authorized) Series A convertible preferred stock (\$.001 par value; 0 shares issued and outstanding)	—	—
Series B convertible preferred stock (\$.001 par value; 1,253,334 shares issued and outstanding)	1,253	1,253
Common stock (\$.001 par value; 1,000,000,000 shares authorized; 49,767,950 shares issued and 49,605,250 shares outstanding at June 30, 2009 and 24,688,088 shares issued and 24,425,588 outstanding at September 30, 2008)	49,770	24,690
Additional paid in capital	17,648,572	15,953,221
Accumulated deficit	(19,017,953)	(20,131,957)
Treasury stock, at cost, (162,500 shares)	(13,000)	(13,000)
Total stockholders' deficit	(1,331,358)	(4,165,793)
Total Liabilities and stockholders' deficit	\$ 2,982,442	\$ 5,939,328

(1) Derived from audited financial statements

See accompanying notes to unaudited consolidated financial statements

ICEWEB, Inc.
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 30		June 30	
	2009	2008	2009	2008
Sales	\$ 826,182	\$ 5,981,083	\$ 3,936,472	\$ 14,095,946
Cost of sales	404,641	5,249,906	2,478,707	12,127,796