HealthWarehouse.com, Inc. Form 10-Q August 08, 2016 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 Quarterly Period Ended June 30, 2016

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

For the transition period from ______ to _____

Commission File Number 0-13117

<u>HealthWarehouse.com</u>, Inc. (Exact Name of Registrant as Specified in Its Charter)

Delaware22-2413505(State or Other Jurisdiction(I.R.S. Employerof Incorporation or Organization)Identification No.)

7107 Industrial Road, Florence, Kentucky41042(Address of Principal Executive Offices)(Zip Code)

(800) 748-7001 (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 Exchange Act of 1934 during the past 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

Non-accelerated Filer (Do not check if a smaller reporting 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

There were 42,160,786 shares of Common Stock outstanding as of August 5, 2016

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HEALTHWAREHOUSE.COM, INC.

QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2016

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PART I – FINANCIAL INFORMATION Item 1. Financial Statements.

HEALTHWAREHOUSE.COM, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

Assets	June 30, 2016 (unaudited)	December 31, 2015
Current assets:		
Cash	\$2,199	\$11,217
Restricted cash	144,929	145,088
Accounts receivable, net of allowance of \$47,143 as of June 30, 2016 and	,	,
December 31, 2015	47,473	51,627
Inventories - finished goods, net	250,081	182,647
Prepaid expenses and other current assets	69,020	81,718
Total current assets	513,702	472,297
Property and equipment, net of accumulated depreciation of \$853,270 and \$801,270 as of		
	257 249	400 248
June 30, 2016 and December 31, 2015 Web development costs, net of accumulated amortization of \$182,825 and \$146,448	357,248	409,248
as of		
June 30, 2016 and December 31, 2015	48,185	84,562
Total assets	\$919,135	84,502 \$966,107
Total assets	\$919,135	\$900,107
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Accounts payable – trade	\$2,321,519	\$2,189,649
Accounts payable – related parties	-	862
Accrued expenses and other current liabilities	428,120	597,665
Equipment lease payable	11,951	46,143
Notes payable and other advances, net of debt discount of \$6,889 as of June 30, 2016	1,093,111	991,089
Note payable and other advances – related parties	4,065	23,889
Redeemable preferred stock - Series C; par value \$0.001 per share;		
10,000 designated Series C: 10,000 issued and outstanding as of		
June 30, 2016 and December 31, 2015 (aggregate liquidation preference of		
\$1,000,000)	1,000,000	1,000,000
Total current liabilities	4,858,766	4,849,297
Total liabilities	4,858,766	4,849,297

Commitments and contingencies

Stockholders' deficiency:

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Preferred stock – par value \$0.001 per share; authorized 1,000,000 shares; issued and of as of June 30, 2016 and December 31, 2015 as follows: Convertible preferred stock - Series A – 200,000 shares designated Series A; 44,443 sh to be issued; no shares issued and outstanding Convertible preferred stock - Series B – 625,000 shares designated Series B; 517,359 and 483,512	C	-
shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively liquidation preference of \$5,060,159 and \$4,889,043 as of June 30, 2016 and December 31, 2015, respectively) Common stock – par value \$0.001 per share; authorized 100,000,000 shares; 38,872,61 38,844,374 shares issued and 37,693,404 and 37,665,162 shares outstanding as of June 30, 2016 and	517	484
December 31, 2015, respectively Additional paid-in capital Treasury stock, at cost, 1,179,212 shares as of June 30, 2016 and December 31, 2015 Accumulated deficit Total stockholders' deficiency Total liabilities and stockholders' deficiency	(31,663,634) (3,939,631)	38,844 30,656,598 (3,419,715) (31,159,401) (3,883,190) \$966,107

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

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HEALTHWAREHOUSE.COM, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	For the Thre Ended June 30 2016	e Months 2015	For the Six I Ended June 30 2016	Months 2015
Net sales	\$2,403,974	\$1,870,840	\$4,751,772	\$3,483,517
Cost of sales	858,836	618,391	1,750,656	1,249,554
Gross profit	1,545,138	1,252,449	3,001,116	2,233,963

Operating expenses:

Selling, general and administrative expenses