

ISSUER DIRECT CORP  
Form 10-Q  
August 07, 2014

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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, 2014  
or

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

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

\_\_\_\_\_  
ISSUER DIRECT CORPORATION  
(Exact name of registrant as specified in its charter)  
\_\_\_\_\_

Delaware  
(State or Other Jurisdiction  
of Incorporation)

1-10185  
(Commission  
File Number)

26-1331503  
(I.R.S. Employer  
Identification No.)

500 Perimeter Park Drive, Suite D, Morrisville NC 27560  
(Address of Principal Executive Office) (Zip Code)

(919) 481-4000  
(Registrant's telephone number, including area code)

N/A  
(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 website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date 2,059,439 shares of common stock were issued and outstanding as of August 7, 2014.

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<u>Exhibit 31.1</u>	CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
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<u>Exhibit 31.2</u>	CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
<u>Exhibit 32.1</u>	CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
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EX-101.INS	XBRL INSTANCE DOCUMENT
EX-101.SCH	XBRL TAXONOMY EXTENSION SCHEMA
EX-101.CAL	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

ISSUER DIRECT CORPORATION  
CONSOLIDATED BALANCE SHEETS

	June 30, 2014 (unaudited)	December 31, 2013
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,160,993	\$ 1,713,479
Accounts receivable, (net of allowance for doubtful accounts of \$477,088 and \$429,509, respectively)	2,627,879	1,970,531
Deferred income tax asset – current	25,843	25,843
Other current assets	243,185	160,756
Total current assets	5,057,900	3,870,609
Furniture, equipment and improvements, net	242,098	297,577
Goodwill	1,056,873	1,056,873
Intangible assets (net of accumulated amortization of \$1,043,400 and \$582,871, respectively)	3,552,601	4,013,129
Other noncurrent assets	46,022	22,351
Total assets	\$ 9,955,494	\$ 9,260,539
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 409,371	\$ 267,637
Accrued expenses	694,393	1,553,334
Deferred revenue	1,332,289	1,053,401
Total current liabilities	2,436,053	2,874,372
Note payable (net of debt discount of \$1,428,092 and \$2,053,091, respectively)	1,071,908	446,909
Deferred tax liability	1,649,692	1,650,460
Other long term liabilities	132,493	83,063
Total liabilities	5,290,146	5,054,804
Stockholders' equity:		
Preferred stock, \$0.001 par value, 30,000,000 shares authorized, no shares issued and outstanding as of June 30, 2014 and December 31, 2013.	-	-
Common stock \$0.001 par value, 100,000,000 shares authorized, 2,056,939 and 2,006,689 shares issued and outstanding as of June 30, 2014 and December 31, 2013, respectively.	2,056	2,007
Additional paid-in capital	4,416,564	3,977,661
Other accumulated comprehensive loss	(69,485 )	(59,065 )
Retained earnings	316,213	285,132

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Total stockholders' equity	4,665,348	4,205,735
Total liabilities and stockholders' equity	\$ 9,955,494	\$ 9,260,539

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

ISSUER DIRECT CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

For the Three Months  
Ended

For the Six Months  
Ended