

COMMERCETEL CORP
Form 10-Q
August 15, 2011

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the fiscal quarterly period ended June 30, 2011

Commission file number 000-53851

CommerceTel Corporation
(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

26-3439095
(I.R.S. Employer
Identification No.)

8929 Aero Drive, Suite E
San Diego, CA 92123
(Address of Principal Executive Offices & Zip Code)

(866) 622-4261
(Telephone Number)

Dennis Becker
CommerceTel Corporation.
8929 Aero Drive, Suite E
San Diego, CA 92123

Telephone & Facsimile (866) 622-4261

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

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to section 12(g) of the Act:
Common Stock, \$.001 par value

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 o

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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

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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. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

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

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 August 15, 2011, the registrant had 22,314,150 shares of common stock issued and outstanding.

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Part I Financial Information

Item 1. Financial Statements.

CommerceTel Corporation

Condensed Consolidated Balance Sheets

	June 30, 2011 (unaudited)	December 31, 2010 (audited)
Current assets		
Cash	\$23,195	\$373,439
Accounts receivable	154,978	49,215
Other current assets	43,852	68,030
Total current assets	222,025	490,684
Equipment, net		
Equipment, net	31,865	1,609
Goodwill	1,996,763	-
Intangible assets, net	2,319,240	-
Other assets	67,750	46,317
TOTAL ASSETS	\$4,637,643	\$538,610
Current liabilities		
Accounts payable	\$304,088	\$151,943
Accrued interest	91,628	37,901
Accrued and deferred personnel compensation	127,802	119,641
Deferred revenue and customer deposits	343,639	233,318
Notes payable, net of discount	1,448,006	803,156
Cash payment obligation, net of discount	219,424	-
Derivative liabilities	188,910	334,478
Other current liabilities	98,488	69,142
Total current liabilities	2,821,985	1,749,579
Non-current liabilities		
Notes payable	31,807	-
Derivative liabilities	140,569	-
Total non-current liabilities	172,376	-
Total liabilities	2,994,361	1,749,579
Stockholders' equity (deficit)		
Common stock, \$0.001 par value; 150,000,000 shares authorized; 21,509,620 and 17,700,000 shares issued and outstanding as of June 30, 2011 and December 31, 2010, respectively	21,509	17,700
Additional paid-in capital	10,990,429	6,945,584
Accumulated deficit	(9,368,656)	(8,174,253)
Total stockholders' equity (deficit)	1,643,282	(1,210,969)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)	\$4,637,643	\$538,610

See accompanying notes to condensed consolidated financial statements.

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CommerceTel Corporation
 Condensed Consolidated Statements of Operations
 (Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Revenues				
Revenues	\$553,108	\$205,099	\$693,745	\$428,822
Cost of revenues	179,051	103,439	258,888	227,492
Gross margin	374,057	101,660	434,857	