

RUBICON FINANCIAL INC  
Form 10-Q  
November 20, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2009

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

Commission file number 000-29315

RUBICON FINANCIAL INCORPORATED

---

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

13-3349556  
(I.R.S. Employer Identification No.)

4100 Newport Place  
Suite 630  
Newport Beach, California 92660

---

(Address of principal executive offices)

(949) 798-7220

---

(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

Edgar Filing: RUBICON FINANCIAL INC - Form 10-Q

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

The number of shares of Common Stock, \$0.001 par value, outstanding on November 13, 2009, was 14,098,023, which includes 120,000 shares authorized but unissued.

---

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

Rubicon Financial Incorporated  
Condensed Consolidated Balance Sheets

	September 30, 2009 (Unaudited)	December 31, 2008 Audited
<b>Assets</b>		
Current assets:		
Cash	\$ 456,602	\$ 212,657
Cash – restricted	311,664	201,571
Marketable securities	186,262	530,380
Accounts receivable	782,527	481,523
Prepaid expenses	50,939	41,311
Notes receivable	124,202	124,202
Interest receivable	10,495	4,906
Total current assets	1,922,691	1,596,550
Fixed assets, net of accumulated depreciation	106,446	136,159
Other assets:		
Contract advances	179,758	277,197
Deposits	30,554	38,554
Intangible assets – customer list	2,439,671	2,439,671
Total other assets	2,649,983	2,755,422
<b>Total assets</b>	<b>\$ 4,679,120</b>	<b>\$ 4,488,131</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 249,381	\$ 242,335
Accrued expenses	885,613	583,437
Investment obligation	487,000	487,000
Deferred revenue	90,463	147,367
Capital lease obligation	3,813	12,223
Line of credit	54,243	-
Notes payable – related party	5,213	4,500
Total current liabilities	1,775,726	1,476,862
Stockholders' equity		
Preferred stock, \$0.001 par value, 9,000,000 shares authorized, no shares issued and outstanding as of September 30, 2009 and December 31, 2008, respectively	-	-
Preferred series "A", \$0.001 par value, 1,000,000 shares authorized, 62,500 shares issued and outstanding as of September 30, 2009 and December 31, 2008, respectively	63	63
Common stock, \$0.001 par value, 50,000,000 shares authorized, 13,978,023 and 11,976,773 shares issued and outstanding as of September 30, 2009 and December 31, 2008, respectively	13,978	11,977
Common stock owed but not issued, 120,000 and 499,790		

Edgar Filing: RUBICON FINANCIAL INC - Form 10-Q

as of September 30, 2009 and December 31, 2008, respectively	120	498
Additional paid in capital	18,190,483	17,971,575
Unamortized shares and options issued for services	(108,277)	(433,108)
Other comprehensive losses	(1,103,273)	(611,861)
Accumulated (deficit)	(14,089,700)	(13,927,875)
Total stockholders' equity	2,876,774	3,011,269
Total liabilities and stockholders' equity	\$ 4,679,120	\$ 4,488,131

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

Rubicon Financial Incorporated  
Condensed Consolidated Statements of Operations  
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenue	\$ 3,311,638	\$ 2,063,896	\$ 8,746,408	\$ 2,863,399
Expenses:				
Direct costs	2,570,152	1,310,368	6,390,882	2,051,244
Consulting	232,424	58,986	232,799	173,901
Professional fees	144,579	79,215	293,065	244,805
Executive compensation	165,137	442,717	651,387	2,126,582
General and administrative expenses	347,927	510,575	1,272,567	1,218,074
Depreciation and amortization	13,255	76,852	39,111	115,872
Total expenses	3,473,474	2,478,713	8,879,811	5,930,478
Net operating income (loss)	(161,836)	(414,817)	(133,403)	(3,067,079)
Other income (expense):				
Interest expense	(13,394)	(3,197)	(21,066)	(6,457)
Interest expense - related party	-	(3,489)	-	(11,290)
Interest income	3,619	9,981	12,764	38,716
Other income	(36,445)	1,714	(20,120)	44,555
Dividend income	-	121,200	-	121,200
Minority interest income (loss)	-	-	-	(40,160)
Total other income (expense)	(46,220)	126,209	(28,422)	146,564
Net income (loss)	(208,056)	(288,608)	(161,825)	(2,920,515)
Other comprehensive (loss)	-	-	-	(315,000)
Total comprehensive income (loss)	\$ (208,056)	\$ (288,608)	\$ (161,825)	\$ (3,235,515)
Weighted average number of common shares outstanding - basic and fully diluted	12,849,898	12,477,884	12,271,013	11,840,397
Net income (loss) per share - basic and fully diluted	\$ (0.02)	\$ (0.02)	\$ (0.01)	\$ (0.27)

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

Rubicon Financial Incorporated  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

	For the Nine Months Ended June 30,	
	2009	2008
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ (161,825)	\$ (3,235,515)
Adjustments to reconcile net (loss) to net cash (used) in operating activities:		
Depreciation expense	39,111	115,876
Minority interest losses	-	40,160
Amortization of prepaid share-based compensation	111,675	1,061,695
Shares and options issued for services	433,687	737,764
Changes in operating assets and liabilities:		
Accounts receivable	(301,004)	(402,228)
Prepaid expenses	(9,628)	(15,708)
Accrued interest receivable	(5,589)	(3,205)
Deposits and other assets	105,439	(199,091)
Accounts payable and accrued liabilities	309,222	706,901
Investment obligation	-	(104,000)
Deferred revenue	(56,904)	177,635
Accrued interest payable - related party	713	10,661
Net cash provided (used) by operating activities	464,897	(1,109,055)
<b>Cash flows from investing activities</b>		
Payments on notes receivable – related party	-	(2,000)
Purchase of fixed assets	(9,398)	(68,281)
Distribution of assets – related party	-	89,716
Purchase of intangible assets	-	(762,313)
Purchase of investments	(147,294)	-
Net cash (used) by investing activities	(156,692)	(742,878)
<b>Cash flows from financing activities</b>		
Cash acquired with mergers	-	388,610
Proceeds from line of credit	54,243	-
Payments on capital lease	(8,410)	-
Preferred shares issued for cash	-	75,000
Common shares issued for cash	-	170,000
Net cash provided by financing activities	45,833	633,610
Net increase (decrease) in cash	354,038	(1,218,323)
Cash - beginning	414,228	1,892,541
Cash - ending	\$ 768,266	\$ 674,218
<b>Supplemental disclosures:</b>		
Interest paid	\$ 21,066	\$ 6,457
Income taxes paid	\$ -	\$ -

Non-cash financing activities:

Shares and options issued for services	\$ 81,675	\$ 737,764
Shares issued for acquisition	\$ -	\$ 1,680,000
Shares issued for accounts payable	\$ 11,903	\$ -

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

RUBICON FINANCIAL INCORPORATED  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1- Basis of Presentation

The unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and reflect all adjustments which, in the opinion of management, are necessary for a fair presentation. All such adjustments are of a normal recurring nature. The results of operations for the interim period are not necessarily indicative of the results to be expected for a full year. Certain amounts in the prior year statements have been reclassified to conform to the current year presentations. The statements should be read in conjunction with the financial statements and footnotes thereto included in our audit for the year ended December 31, 2008.

NOTE 2 – Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These conditions give rise to doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional financing or sale of its common stock as may be required and ultimately to attain profitability.

NOTE 3 – Restricted Cash

The Company's wholly owned subsidiary, Newport Coast Securities, Inc. (formerly Grant Bettingen, Inc.)("NCS"), has entered into securities clearing agreements with Penson Financial Services, Inc. and Wedbush, Morgan Securities, Inc. Pursuant to these agreements, the Company is required to maintain a deposit account with each respective clearing firm in amounts determined based on the Company's transaction volume. As of September 30, 2009, the Company maintained deposits of \$250,405 and \$61,258, respectively.

NOTE 4 - Marketable securities

Investments in marketable securities primarily include shares of common stock in various companies held as available-for-sale and carried at fair market value, with the unrealized gains and losses, included in the determination of comprehensive income and reported in shareholders' equity. NCS holds various securities held as available-for-sale. On September 30, 2009, other comprehensive loss in relation to these securities was \$1,103,273.

NOTE 5 – Notes receivable

On April 18, 2008, Rubicon amended its \$20,000 note receivable with its RREM subsidiary, whereby Joel Newman, the former President of RREM accepted full liability for the principal balance of \$20,000. The amended terms require interest to accrue at a rate of 6% per annum and matured on April 18, 2009. The outstanding principal balance as of March 31, 2009 was \$19,202. In addition, Mr. Newman owes \$5,000 in the form of a demand note, which accrues interest at a rate of 6% per annum. As of September 30, 2009, Mr. Newman's principal balances totaled \$24,202 with accrued interest receivable of \$2,495.



On June 3, 2008, Rubicon issued a note receivable in the amount of \$100,000 to Marc Riviello pursuant to the “Stock Repurchase and Settlement Agreement”. The note accrues interest at a rate of 6% per annum and was due June 1, 2009. As of September 30, 2009, the principal balance was \$100,000 and accrued interest receivable totaled \$8,000. Rubicon has initiated collection efforts on this note.

NOTE 6 – Related Party Transactions

On February 5, 2009, the Company entered into a short-term consulting agreement with Bootstrap Real Estate Investments, LLC, a company controlled by Mr. Todd Vande Hei, a former director, former executive officer and current shareholder. Pursuant to the agreement, the Company authorized the issuance of 120,000 shares of restricted common stock for services valued at \$30,000, or \$0.25 per share. These shares were issued in November of 2009.

NOTE 7 – Notes payable

A summary of short-term debt consists of the following:

	September 30, 2009	December 31, 2008
Demand note payable to an officer and shareholder for \$4,500, unsecured, non-interest bearing and due on demand	\$ 5,213	\$ 4,500
Capital lease obligation, maturing October 2009	3,813	12,223
Line of credit, secured by cash deposit, interest rate of 2.25%	54,243	-0-
	\$ 63,269	\$ 16,723

Interest expense for the three months ended September 30, 2009 and 2008 was \$13,394 and \$3,197; interest expense for the nine months ended September 30, 2009 was \$21,066 and \$6,457, respectively.

NOTE 8 – Stockholders’ equity

The Company is authorized to issue 50,000,000 shares of Common Stock, \$0.001 par value per share. Holders of shares of Common Stock are entitled to one vote for each share on all matters to be voted on by the stockholders, are without cumulative voting rights, and are entitled to share ratably in dividends. In the event of a liquidation, dissolution, or winding up of the Company, the holders of shares of Common Stock are entitled to share pro rata all assets remaining after payment in full of all liabilities. Holders of Common Stock have no preemptive rights to purchase the Company’s Common Stock. There are no conversion rights or redemption or sinking fund provisions with respect to the common stock.

The Company is authorized to issued 10,000,000 shares of Preferred Stock of which, 1,000,000 shares have been designated as Series "A". Holders' of the Series "A" preferred stock shall not have any voting rights, except in the case of voting on a change in the preferences of shares. In the event of any liquidation, dissolution, or winding up of the Company, the holders of shares shall be entitled to receive, prior and in preference to any distribution of any of the assets of this Company an amount per share equal to the sum of \$2.00 for each outstanding share and an amount equal to 12% of the original series A issue price for each 12 months that has passed since the date of issuance of any shares. In addition, each share shall be convertible into shares of the Company's common stock at a price per share of \$0.50 at the option of the holder at any time following the date of issuance.

2009

On February 5, 2009, the Company entered into a short-term consulting agreement with Bootstrap Real Estate Investments, LLC, a company controlled by Mr. Todd Vande Hei, a former director and current shareholder. Pursuant to the agreement, the Company authorized the issuance of 120,000 shares of restricted common stock for services valued at \$30,000, or \$0.25 per share. The Company recorded an expense to executive compensation of \$30,000. These shares were issued in November of 2009.

On July 15, 2009, the Company authorized the issuance of 2,500 shares of its common stock to each of its three directors; Messrs. Mangiapane, Jr. and Torneo and Ms. McPherson (7,500 shares total) as consideration for their services valued at \$1,050 for fiscal 2009.

In August of 2009, the Company issued 150,000 shares of its common stock for legal services to Stoecklein Law Group valued at \$11,903.

On August 21, 2009, the Company issued 500,000 shares of its common stock to Kathleen McPherson that were previously authorized but remained unissued.

On August 21, 2009, the Company awarded a total of 1,343,750 shares of its restricted common stock for bonuses valued at \$80,625 to twenty-three people associated with two of its wholly owned subsidiaries. The shares were awarded pursuant to the Rubicon Financial Incorporated 2007 Acquisition Stock Plan and registered on the Form S-8 filed on July 30, 2009.

NOTE 9 – Warrants and options

A summary of stock options and warrants as of September 30, 2009 is as follows:

	Options	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Outstanding as of 01/01/08:	1,500,000	\$ 1.79	100,000	\$ 3.00
Granted	500,000	1.00	-	-
Cancelled	(200,000)	1.00	-	-
Exercised	-	-	-	-
Outstanding as of 01/01/09:	1,800,000	\$ 1.66	100,000	\$ 3.00
Granted	-	-	-	-
Cancelled	(500,000)	2.50	(100,000)	3.00
Exercised	-	-	-	-
Outstanding as of 09/30/09:	1,300,000	\$ 1.33	-	\$ -
Vested as of 09/30/09:	1,000,000	\$ 1.00	-	\$ -



## NOTE 10 – Operating Segments

Rubicon’s operating segments are evidence of its internal organization. The major segments are defined by the type of financial services offered. Each segment operates in a distinct industry: brokerage services (NCS), mortgage and real estate services (RREM) and personal and commercial insurance services (RFIS). DAC is currently inactive and not considered an operating segment of Rubicon. Where applicable, “Corporate” represents items necessary to reconcile to the consolidated financial statements, which generally include corporate activity and eliminations.

Net revenues as shown below represent commissions earned for each segment. Intercompany revenues have been eliminated and are immaterial for separate disclosure. Rubicon evaluates performance of individual operating segments based on pre-tax income (loss). On a consolidated basis, this amount represents total comprehensive loss as shown in the unaudited condensed consolidated statement of operations. Reconciling items represent corporate costs that are not allocated to the operating segments including; stock-based compensation expense and intercompany eliminations.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<b>Net Revenue</b>				
Insurance services	\$ 91,547	\$ 89,756	\$ 404,190	\$ 234,667
Mortgage services	14,400	49,930	27,513	183,458
Brokerage services(1)	3,205,691	1,924,210	8,314,705	2,445,274
	3,311,638	2,063,896	8,746,408	2,863,399
<b>Expenses</b>				
Insurance services	97,426	143,662	365,370	373,599
Mortgage services	9,518	71,131	23,708	327,940
Brokerage services(1)	3,011,132	1,553,188	7,511,893	3,236,624
Corporate	355,398	710,732	978,840	1,992,315
	3,473,474	2,478,713	8,879,811	5,930,478
Net operating income (loss)	\$ (161,836)	\$ (414,817)	\$ (133,403)	\$ (3,067,079)

(1) The NCS acquisition was not consummated until June 2, 2008.

NOTE 11 – Net capital requirement

The Company's wholly owned subsidiary, GBI, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital, as defined, equal to the greater of \$100,000 or 6 2/3% of aggregate debt balances, as defined in the SEC's Reserve Requirement Rule (Rule 15c3-3). At September 30, 2009, GBI had net capital of \$899,987 and was \$799,987 in excess of its required net capital of \$100,000.

NOTE 12 – Commitments and Contingencies

In July of 2009, the Company filed its first amended complaint against Grant Bettingen and Grant Bettingen, as Trustee of the 1999 Bettingen Trust U/D/T October 8, 1999, seeking damages for (i) Breach of Contract, (ii) Fraud, (iii) Declaratory Relief, (iv) Breach of Covenant of Good Faith and Fair Dealing, and (v) Unjust Enrichment. These claims arise from the June 2008 merger between the Company and NCS (then known as Grant Bettingen, Inc.) On or about August 10, 2009, the Company was served with a suit from M. Grant Bettingen, the Bettingen 1999 Trust and Christi Bettingen stemming from the same transaction. The cases have been consolidated and is currently pending.

NOTE 13 – Subsequent Events

In October of 2009, the Company incorporated two new wholly owned subsidiaries; (i) Struxurety Corporation, a company intending to focus on delivering core support services for small businesses, and (ii) Newport Coast Asset Management, Inc., a company that will conduct registered investment advisory services.

Management has evaluated all events and transactions that have occurred subsequent to the balance sheet date and has determined that there are no additional material events which have occurred as of November 20, 2009, that would be deemed significant or require recognition or additional disclosure.

## FORWARD-LOOKING STATEMENTS

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words “may,” “could,” “estimate,” “intend,” “continue,” “believe,” “expect” or “anticipate” or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we make in this Quarterly Report on Form 10-Q, Annual Report on Form 10-K and Current Reports on Form 8-K.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors impacting these risks and uncertainties include, but are not limited to:

- deterioration in general or regional (especially Southern California) economic, market and political conditions;
  - our ability to successfully compete in the financial services industry;
  - actions and initiatives taken by both current and potential competitors;
  - inability to raise additional financing for working capital;
- inability to locate potential mergers and acquisitions within the financial services industry and integrate acquired companies into our organization;
- deterioration in the financial services markets, lending markets and the real estate markets in general as a result of the delinquencies in the “subprime” mortgage markets;
  - the level of volatility of interest rates as well as the shape of the yield curve;
- the fact that our accounting policies and methods are fundamental to how we report our financial condition and results of operations, and they may require management to make estimates about matters that are inherently uncertain;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- changes in U.S. GAAP or in the legal, regulatory and legislative environments in the markets in which we operate;
  - inability to efficiently manage our operations;
  - inability to achieve future operating results;

- the unavailability of funds for capital expenditures;
- our ability to recruit and hire key employees;
- the inability of management to effectively implement our strategies and business plans; and
- the other risks and uncertainties detailed in this report.

For a detailed description of these and other factors that could cause actual results to differ materially from those expressed in any forward-looking statement, please see “Risk Factors” in this document and in our Annual Report on Form 10-K for the year ended December 31, 2008.

In this form 10-Q references to “Rubicon”, “the Company”, “we,” “us,” and “our” refer to Rubicon Financial Incorporated and wholly owned operating subsidiaries, Newport Coast Securities, Inc. (formerly Grant Bettingen, Inc.), Rubicon Financial Insurance Services, Inc., Rubicon Real Estate and Mortgages, Inc. and Dial-A-Cup, Inc.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

### Overview of Current Operations

#### The Company

Rubicon Financial Incorporated, together with its wholly owned subsidiaries, provides a wide variety of products and services to a diversified group of clients and customers, which include both corporations and individuals. Our business includes security underwriting and distribution; financial advisory services, including advice on mergers and acquisitions, restructurings, real estate and project financing; sales, trading, financing and market making activities in equity securities, related products and fixed income securities. We provide brokerage and investment advisory services covering various investment alternatives; financial and wealth planning; annuity and insurance products; and real estate investments and services. Rubicon, as the Parent, is continually focusing its efforts towards the integration of our existing platforms while simultaneously seeking future acquisitions in an effort to further augment a tailored financial service experience for our clientele as well as expanding the diversity of financial products available to meet their individual needs.

### Overview of Financial Services

#### Economic Conditions

Our revenues are derived primarily from managed investment portfolios with the majority of our assets under management being located within the United States. Our revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets affect our revenues and results of operations. The significant downturn in the financial and real estate markets during 2008 and 2009 has had a material effect on investor returns and real property values. Though we have not experienced significant declines in our brokerage or insurance services, the impact to our real estate services has been considerable. In response, we have implemented measures to reduce overall operating costs through the reduction of staff and administrative expenses. Although we have not made any fundamental changes to our business model like many other financial service companies, as part of our long term growth strategy, we continually evaluate our existing portfolio of businesses as well as new business opportunities to ensure we are investing in those businesses with the largest, most profitable, growth potential. In response to the current market conditions, we have redirected a portion of the resources previously allocated to the development of our real estate and mortgage division until such time there is sufficient recognition of recovery.





## Recent Developments

In March of 2009, we executed a non-binding letter of intent to acquire 100% of 1000 BARS, Inc., a private Nevada corporation focused on the preservation of the long-term value of assets through buying and selling strategies of physical precious metals, specializing in 1000 oz bars of silver. 1000 BARS has also developed commodity market strategies for the owners of physical bars of silver. As of the date of this report we are continuing to pursue this acquisition.

In October of 2009, we incorporated a new wholly owned subsidiary, Struxurety Corporation, to pursue the opportunities to provide core support services to small businesses; such as back office administration, general ledger accounting and general business strategy and management.

## Results of Operations

The following tables summarize selected items from the statement of operations for the three and nine months ended September 30, 2009 and the comparable periods ended September 30, 2008.

## Revenue:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2009	2008	% Change	2009	2008	% Change
<b>Consolidated</b>						
Revenue	\$ 3,311,638	\$ 2,063,896	61%	\$ 8,746,408	\$ 2,863,399	205%
Operating expenses	\$ 3,473,474	\$ 2,478,713	40%	\$ 8,879,811	\$ 5,930,478	50%
Net operating income (loss)	\$ (161,836)	\$ (414,817)	(55)%	\$ (133,403)	\$ (3,067,079)	(95)%

Overall revenues increased 61% during the third fiscal quarter of 2009 and 205% during the nine months ended September 30, 2009. In 2008, we were continuing to invest significant financial and administrative resources towards the closing of the acquisition of NCS, which was consummated on June 2, 2008. The significant revenue increase for the year over year periods is the result of the significant resources expended prior to the acquisition of NCS and the consolidated results of operations for NCS. Further, the results of operations for 2008 only include those of NCS for the period from June 2, 2008 through September 30, 2008.

During the three and nine-month periods ended September 30, 2009 we reduced our net operating loss by 55% and 95%, respectively, over the same periods in 2008. Included in our net loss for the nine months ended September 30, 2009 was non-cash expenses totaling \$433,687 relating to the issuance of shares of our common stock for services.

#### Revenue by Segment

	Three Months Ended			Nine Months Ended		
	September 30, 2009	2008	% Change	September 30, 2009	2008	% Change
<b>Revenue</b>						
Insurance services	\$ 91,547	\$ 89,756	2%	\$ 404,190	\$ 234,667	61%
Mortgage services	14,400	49,930	(71)%	27,513	183,458	(85)%
Brokerage services	3,205,691	1,924,210	67%	8,314,705	2,445,274	240%
<b>Total revenue</b>	<b>\$ 3,311,638</b>	<b>\$ 2,063,896</b>	<b>59%</b>	<b>\$ 8,746,408</b>	<b>\$ 2,863,399</b>	<b>205%</b>

**Insurance Services:** RFIS generated revenues of \$91,547 during the third quarter compared to \$89,756 during the same three month period in 2008, which resulted in an increase in revenues of 2% during the quarter. In addition, RFIS experienced an increase of 61% in revenues from insurance services for the nine months ended September 30, 2009. This is the result of an augmented focus towards increasing the ratio of commercial lines verses personal lines in its overall market base. RFIS believes the commercial lines will provide greater ability to increase the insurance services revenue steam as well as provide further stability to its long term growth platform.

**Mortgage Services:** During the three months ended September 30, 2009 RREM earned \$14,400 in commissions compared to \$49,930 for the same period in 2008, resulting in a 71% decrease in revenues. The current economic conditions of the real estate market have limited RREM's ability to generate revenue on the sales of residential real estate. RREM is continuing to seek additional sources of revenue while also increasing its marketing area.

**Brokerage Services:** We expended a tremendous amount of financial and administrative resources prior to acquiring NCS in June of 2008, which enabled us to aggressively expand NCS's operations following its acquisition. NCS represents the majority of our revenues and services; representing approximately 98% and 95%, respectively, of our total revenues for the three and nine-month periods ended September 30, 2009. Consolidated revenue for the three and nine months ended September 30, 2009 was \$3,205,691 and \$8,314,705, respectively, versus \$1,924,210 and \$2,445,274, respectively, for the same periods ended September 30, 2008. NCS anticipates additional increases in commission revenue as it enters the fourth quarter through the continued addition to its broker base and efforts to seek and add additional brokerage and investment banking branches.

## Selling and Administrative Expenses:

	Three Months Ended			Nine Months Ended		
	September 30,		%	September 30,		%
	2009	2008	Change	2009	2008	Change
Direct costs	\$ 2,570,152	\$ 1,310,368	96%	\$ 6,390,882	\$ 2,051,244	212%
Consulting	232,424	58,986	294%	232,799	173,901	34%
Professional fees	144,579	79,215	83%	293,065	244,805	20%
Executive compensation	168,137	442,717	(63)%	651,387	2,126,582	(69)%
General expenses	347,927	510,575	(32)%	1,272,567	1,218,074	4%
Depreciation and amortization	13,255	76,852	(83)%	39,111	115,872	(66)%
Operating expenses	\$ 3,473,474	\$ 2,478,713	40%	\$ 8,879,811	\$ 5,930,478	50%

Operating expenses only increased 18% over the previous three month comparable period and 57% for the nine month comparable period ended September 30, 2009. Significant increases were expected in direct costs associated with NCS's operations; however, we had significant decreases in consulting and executive compensation expenses.

Our direct costs are comprised of commissions paid to associates and miscellaneous fees related directly to the generation of revenue. These costs have a direct relationship to our revenue and will increase or decrease with changes in revenue.

## Expenses by Segment

## RFIS:

	Three Months Ended			Nine Months Ended		
	September 30,		%	September 30,		%
	2009	2008	Change	2009	2008	Change
Insurance services						
Direct costs	\$ 17,999	\$ 58,589	(69)%	\$ 116,395	\$ 113,724	2%
Consulting	200	838	(76)%	575	12,838	(96)%
Professional fees	1,000	6,000	(83)%	5,396	21,000	(74)%
Executive compensation	12,500	15,000	(17)%	42,500	45,000	(6)%
General expenses	65,562	63,070	4%	200,010	180,543	11%
Depreciation	165	165	-	494	494	-
Operating expenses	\$ 97,426	\$ 143,662	(32)%	\$ 365,370	\$ 373,599	(2)%

To meet the objectives of our business plan, RFIS initially focused on personal insurance lines including home, auto and life. RFIS now expanded focus to included full commercial lines in its product mix. Through the addition of commercial products, RFIS's gross commission income is anticipated to increase substantially. With the increased commission revenue, RFIS's commission expense included in its direct costs has also increased. On average, RFIS will pay a 50% commission to its agents on each commercial policy written versus approximately 5% on personal lines.

Edgar Filing: RUBICON FINANCIAL INC - Form 10-Q

As of September 30, 2009, RFIS had seven full-time agents and three full-time administrative staff. Base salaries are included in the general expenses and although RFIS has experienced an approximate 11% increase in the nine-month period, it has been able to reduce external consulting fees and professional fees by 96% and 74%, respectively.

RREM:

	Three Months Ended			Nine Months Ended		
	September 30, 2009	2008	% Change	September 30, 2009	2008	% Change
<b>Mortgage services</b>						
Direct costs	\$ 10,800	\$ 29,823	(64)%	\$ 21,946	\$ 80,247	(73)%
Consulting	-	2,000	-	-	3,710	-
Professional fees	-	3,000	-	-	9,000	-
<b>Executive compensation</b>						
Executive compensation	-	1,107	-	-	59,318	-
General expenses	(1,524)	34,960	-	1,069	174,972	(99)%
Depreciation	242	241	-	693	693	-
Operating expenses	\$ 9,518	\$ 71,131	(87)%	\$ 23,708	\$ 327,940	(93)%

RREM experienced a 64% and 73% decrease in direct costs for the three and nine month periods ended September 30, 2009, respectively, due to the substantial reduction in operations. Further, RREM's general and administrative expenses have decreased 99% from 2008 for the nine month period ended September 30, 2009. The decrease was anticipated with the dormancy of operations and general economic conditions affecting the real estate industry, especially in Southern California.

NCS:

On June 2, 2008, we consummated our staged acquisition of NCS, which began with the purchase of approximately 15% interest in September 2007 and an additional 6% in March of 2008. We have included the revenue and expenses of NCS from the date of acquisition through September 30, 2008 in our unaudited condensed consolidated financial statements. As a result we have not presented a year over year comparison of the operating results of NCS. We expect the amounts recognized in the three and nine-months ended September 30, 2009 to be indicative of future operating expenses.

The amounts consolidated from the activities of NCS are as follows:

	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2009	June 2, 2008 to September 30, 2008
<b>Brokerage services</b>			
Direct costs	\$ 2,541,353	\$ 6,252,541	\$ 1,857,273
Consulting	150,549	150,549	59,852
Professional fees	113,688	140,798	55,765
Executive compensation	44,419	155,115	854,935
General expenses	157,028	800,630	410,090
Depreciation	4,095	12,260	8,709
Operating expenses	\$ 3,011,132	\$ 7,511,893	\$ 3,236,624



## Other income and (expense)

	Three Months Ended			Nine Months Ended		
	September 30,		%	September 30,		%
	2009	2008	Change	2009	2008	Change
<b>Consolidated</b>						
Interest income	\$ 3,619	\$ 9,981	(64)%	\$ 12,764	\$ 38,716	(67)%
Interest (expense)	(13,394)	(6,686)	100%	(21,066)	(17,747)	19%
Other income (expense)	(36,445)	1,714	-	(20,120)	44,555	(145)%
Minority interest (loss)	-	-	-	-	(40,160)	-
Dividend income	-	121,200	-	-	121,200	-

We experienced a 64% and 67% decline in interest income as a direct result of our depletion of cash resources held in interest bearing money market accounts. In addition, we experienced increases in interest expense of 100% and 19% for the respective three and nine-month periods ended September 30, 2009. We expect these amounts to continue to increase throughout the remainder of the fiscal year.

During the three and nine months ended September 30, 2009, we recorded \$36,445 and \$20,120, respectively, in other expenses attributable to realized trading losses.

Satisfaction of our cash obligations for the next 12 months.

Historically, our plan of operation has been stalled by a lack of adequate working capital. As of September 30, 2009 we had available cash of \$456,602. We believe these funds will help support existing operational costs, but will only be sufficient to satisfy our working capital requirements through March 31, 2010. Consequently, in addition to cash generated from operations, we will need to raise additional funds through either equity, including convertible securities such as preferred stock or debentures, or debt financing.

Summary of any product research and development that we will perform for the term of our plan of operation.

We do not anticipate performing any additional significant product research and development under our plan of operation with Dial-A-Cup, RFIS, RREM, NCS or in the financial services industry.

Expected purchase or sale of plant and significant equipment.

We do not anticipate the purchase or sale of any plant or significant equipment; as such items are not required by us at this time.

Significant changes in the number of employees.

We have experienced significant changes in our staffing and executive management team as a result of our business acquisitions. Historically we have relied on outside consultants to fulfill the needs of the Company while also relying heavily on our CEO, Joseph Mangiapane, Jr. whom we have a full time employment agreement with. As we have achieved milestones in our growth projections, it has become financially prudent to increase our internal staff to satisfy the operational needs of our business. Likewise, as we have been impacted by the overall economic recession we have also reduced staffing as appropriate. In addition to our current executives, we also employ one full-time support person, to assist in the operational activities.



At our subsidiary levels, we have increased our number of employees to a level which satisfies our current requirements in an economically sensible manner. As the economic conditions improve, we anticipate an increase in our staffing levels as a measure to ensure continued growth. Currently, we employ two executives and seven administrative staff within NCS. RFIS is staffed with one executive, seven agents and three administrative support persons. Due to the dramatic downturn in the real estate markets, RREM is currently staffed with a single executive who also acts as our broker of record.

#### Liquidity and Capital Resources

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate generating sufficient positive internal operating cash flow until such time as we can generate substantial additional revenues, which may take the next few years to fully realize. In the event we cannot obtain the necessary capital to pursue our strategic plan, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations.

The following table summarizes our current assets, liabilities and working capital at September 30, 2009 compared to December 31, 2008.

	September 30, 2009	December 31, 2008	Increase / (Decrease) \$	%
Current Assets	\$ 1,922,691	\$ 1,596,550	\$ 326,141	20%
Current Liabilities	1,775,726	1,476,862	298,864	22%
Working Capital	\$ 146,965	\$ 119,688	\$ 27,277	23%

We believe the \$456,602 in unrestricted cash on hand at September 30, 2009 will only be sufficient to sustain operations through the first quarter of 2010. As a result, we anticipate the need to seek additional funding for operations through equity offerings and may need to further do so in the future through additional financing, acquisitions, joint ventures or other means available to us. There can be no assurance that we will be able to complete a transaction or complete a transaction on terms favorable to our stockholders or us.

Our lack of operating history makes predictions of future operating results difficult to ascertain. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development.



#### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

#### Critical Accounting Policies and Estimates

**Revenue Recognition:** We recognize revenue from product sales once all of the following criteria for revenue recognition have been met: pervasive evidence that an agreement exists; the services have been rendered; the fee is fixed and determinable and not subject to refund or adjustment; and collection of the amount due is reasonably assured. We will primarily derive our revenues from anticipated financial service related fees, such as commissions.

RFIS currently earns commissions paid by insurance companies which are based on a percentage of the premium charged to the policyholder and considered earned over the term of the policy. Deferred commissions are related to the unexpired terms of the policies in force. The Company recognizes revenue net of expected cancellations in accordance with Staff Accounting Bulletin (“SAB”) 13A.

#### Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of Rubicon as a going concern. Rubicon’s cash position is currently inadequate to pay all of the costs associated with its operations. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should Rubicon be unable to continue existence.

#### Recent Accounting Developments

In March 2008, the Financial Accounting Standards Board, or FASB, issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133. This standard requires companies to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity’s financial position, financial performance, and cash flows. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. Rubicon has not yet adopted the provisions of SFAS No. 161, but does not expect it to have a material impact on its consolidated financial position, results of operations or cash flows.

In May 2008, FASB issued SFAS No. 162, “The Hierarchy of Generally Accepted Accounting Principles”. SFAS No. 162 sets forth the level of authority to a given accounting pronouncement or document by category. Where there might be conflicting guidance between two categories, the more authoritative category will prevail. SFAS No. 162 will become effective 60 days after the SEC approves the PCAOB’s amendments to AU Section 411 of the AICPA Professional Standards. SFAS No. 162 has no effect on Rubicon’s financial position, statements of operations, or cash flows at this time.

In May 2008, FASB issued SFAS No. 163, “Accounting for Financial Guarantee Insurance Contracts-and interpretation of FASB Statement No. 60”. SFAS No. 163 clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement of premium revenue and claims liabilities. This statement also requires expanded disclosures about financial guarantee insurance contracts. SFAS No. 163 is effective for fiscal years beginning on or after December 15, 2008, and interim periods within those years. SFAS No. 163 has no effect on Rubicon’s financial position, statements of operations, or cash flows at this time.

In May 2009, the FASB issued SFAS No. 165 (“FAS 165”) “Subsequent Events”. The objective of this Statement is to establish general standards of accounting for and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Statement sets forth: 1) The period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, 2) The circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, 3) The disclosures that an entity should make about events or transactions that occurred after the balance sheet date. We have adopted FAS 165 as of June 15, 2009.

In June 2009, the FASB issued SFAS No. 166 (“FAS 166”), “Accounting for Transfers of Financial Assets - an amendment to FASB Statement No. 140”. FASB’s objective in issuing this Statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor’s continuing involvement, if any, in transferred financial assets. The Board undertook this project to address (1) practices that have developed since the issuance of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, that are not consistent with the original intent and key requirements of that Statement and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. As prescribe by the FASB we apply the guidance of FAS 166, where applicable effective after our first annual reporting period that begins after November 15, 2009, and to interim periods within that first annual reporting period and for interim and annual reporting periods thereafter.

In June 2009, the FASB issued SFAS No. 167 (“FAS 167”), “Amendments to FASB Interpretation No. 46(R)”. The Board’s objective in issuing this Statement is to improve financial reporting by enterprises involved with variable interest entities. The Board undertook this project to address (1) the effects on certain provisions of FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, as a result of the elimination of the qualifying special-purpose entity concept in FASB Statement No. 166, Accounting for Transfers of Financial Assets, and (2) constituent concerns about the application of certain key provisions of Interpretation 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise’s involvement in a variable interest entity. This Statement shall be effective as of the beginning of each reporting entity’s first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. As prescribe by the FASB we anticipate adopting FAS 167, for all interim and annual reports subsequent to November 15, 2009.

In June 2009, the FASB issued SFAS No. 168 (“FAS 168”), “The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162”. The FASB Accounting Standards Codification™ (Codification) will become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. As prescribe by the FASB we adopted FAS 168, for all interim and annual periods ending after September 15, 2009.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not applicable.

### Item 4T. Controls and Procedures.

Our Chief Executive Officer and Principal Financial Officer, Joseph Mangiapane, Jr., evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Report. Based on the evaluation, Mr. Mangiapane concluded that our disclosure controls and procedures are effective in timely altering him to material information relating to us (including our consolidated subsidiaries) required to be included in our periodic SEC filings.

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We may, from time to time, be named as defendants in various judicial, regulatory, and arbitration proceedings in the future in the ordinary course of our business. The nature of such proceedings may involve large claims subjecting us to exposure. In addition, claims may be made against our broker-dealer subsidiary relating to investment banking underwritings, which may be brought as part of a class action, or may be routine retail customer complaints regarding losses in individual accounts, which are ordinarily subject to FINRA arbitration proceedings. Our broker-dealer subsidiary may also become subject to investigations or proceedings by governmental agencies and self-regulatory organizations, which can result in fines or other disciplinary action being imposed on the broker-dealer and/or individuals. Additionally, legal proceedings may be brought against us from time to time in the future. In view of the inherent difficulty of predicting the outcome of legal proceedings, particularly where the plaintiffs seek substantial or indeterminate damages or where novel legal theories or a large number of parties are involved, we cannot state with confidence what the eventual outcome of currently pending matters will be, what the timing of the ultimate resolution of these matters will be or what the eventual result in each pending matter will be.

Rubicon Financial Incorporated v. Grant Bettingen

In July of 2009, we filed our first amended complaint in the Superior Court of the State of California, for the County of Orange – Central Justice Center (Case Number 30-2009-00124138-CU-BC-CJC), against Grant Bettingen and Grant Bettingen, as Trustee of the 1999 Bettingen Trust U/D/T October 8, 1999, seeking damages for:

1. Breach of Contract;
2. Fraud;
3. Declaratory Relief;
4. Breach of Covenant of Good Faith and Fair Dealing; and
5. Unjust Enrichment.

These claims arise from the June 2008 merger between us and Grant Bettingen, Inc. (now known as Newport Coast Securities, Inc.) On or about August 10, 2009, we were served with a suit from M. Grant Bettingen, the Bettingen 1999 Trust and Christi Bettingen stemming from the same transaction and alleging 31 causes of action. These two cases have been consolidated. We believe the Bettingen claims have no merit. As of the date of this filing, we are continuing to aggressively pursue this action.

Rubicon Financial Incorporated v. Marc Riviello

In August of 2009, the Company filed a complaint in the Superior Court of the State of California, for the County of Orange – Central Justice Center (Case Number 30-2009-00294992-CU-BC-CJC), against Marc Riviello seeking collection of the \$100,000 due and payable pursuant to a promissory note due June 1, 2009. The case is currently pending.

Item 1A. Risk Factors.

Our significant business risks are described in Item 1A to Form 10-K for the year ended December 31, 2008 to which reference is made herein.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On July 15, 2009, we issued 2,500 shares of our restricted common stock to each of the members of our Board of Director's (7,500 shares in total) for their services. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof.

In August of 2009, we issued 150,000 shares of our common stock for legal services to Stoecklein Law Group valued at \$11,903. These shares were registered and issued under the Form S-8 filed on July 30, 2009.

On August 21, 2009, we issued 500,000 shares of our common stock to Kathleen McPherson that were previously authorized but remained unissued. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof.

On August 21, 2009, we awarded a total of 1,343,750 shares of our restricted common stock for bonuses valued at \$80,625 to twenty-three people associated with two of our wholly owned subsidiaries. The shares were awarded pursuant to the Rubicon Financial Incorporated 2007 Acquisition Stock Plan and registered on the Form S-8 filed on July 30, 2009.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the three or nine months ended September 30, 2009.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

We did not submit any matters to a vote of our security holders during the quarter ended September 30, 2009.

Item 5. Other Information.

Effective September 1, 2009, we relocated our principal executive office to 4100 Newport Place, Suite 630, Newport Beach, California 92660. Our wholly owned subsidiary, Newport Coast Securities, Inc. (formerly Grant Bettingen, Inc.), leases the general office space. The lease expires on during the first quarter of 2010.

Edgar Filing: RUBICON FINANCIAL INC - Form 10-Q

On September 30, 2009, we changed the name of our wholly-owned broker/dealer subsidiary to Newport Coast Securities, Inc. from Grant Bettingen, Inc.

In October of 2009, we incorporated two new wholly owned subsidiaries; (i) Struxurety Corporation, a Nevada corporation, which intends to focus on delivering core support services for small businesses, and (ii) Newport Coast Asset Management, Inc., a California corporation, which will conduct our registered investment advisory services.

Item 6. Exhibits.

Exhibit	Exhibit Description	Filed herewith	Form	Incorporated by reference		
				Period ending	Exhibit	Filing date
2.1	Merger Agreement among Rubicon Financial Incorporated, RFI Sub, Inc. and Grant Bettingen, Inc.		8-K		2.7	07/05/07
2.1(b)	Amendment No. 1 to the Merger Agreement among Rubicon Financial Incorporated, RFI Sub, Inc. and Grant Bettingen, Inc.		8-K		2.7(b)	09/14/07
2.1(c)	Amendment No.2 to the Merger Agreement among Rubicon Financial Incorporated, RFI Sub, Inc. and Grant Bettingen, Inc., dated January 23, 2007		8-K		2.7(c)	01/24/08
2.1(d)	Amendment No. 3 to the Merger Agreement among Rubicon Financial Incorporated, RFI Sub, Inc. and Grant Bettingen, Inc., dated March 18, 2008				2.7(d)	03/21/08
2.2	Separation and Distribution Agreement by and between Rubicon Financial Incorporated and Dial-A-Cup, Inc.		8-K		2.8	08/06/07
3.1(i)(a)	Articles of Incorporation		10-KSB	12/31/05	3.1(i)(a)	04/05/06
3.1(i)(b)	Certificate of Correction of Articles of Incorporation		10-KSB	12/31/05	3.1(i)(b)	04/05/06
3.1(i)(c)	Amendment to Articles of Incorporation		10-KSB	12/31/05	3.1(i)(c)	04/05/06
3.1(i)(d)	Amendment to Certificate of Incorporation changing name from ISSG, Inc. to Rubicon Financial Incorporated		8-K		3.1(i)(d)	09/08/06
3.1(i)(g)	Amendment to Certificate of Incorporation authorizing		8-K		3.1(i)(g)	08/01/07

3.1(ii)	“blank check” Preferred Stock Bylaws	10-KSB	12/31/05	3.1(ii)	04/05/06
---------	---	--------	----------	---------	----------

Edgar Filing: RUBICON FINANCIAL INC - Form 10-Q

4.1	Amended and Restated Certificate of Designation of 8% Series A Convertible Preferred Stock		10-Q	09/30/08	4.1	11/19/08
10.1	Stock Purchase and Settlement Agreement with AIS Financial Inc. and Marc Riviello dated June 2, 2008		8-K		10.18	06/06/08
10.2	Interim COO agreement with Bootstrap Real Estate Investments, LLC dated February 5, 2009.		8-K		10.1	03/04/09
31.1	Certification of Joseph Mangiapane, Jr., Chief Executive Officer and Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act	X				
32.1	Certification of Joseph Mangiapane, Jr., Chief Executive Officer and Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act	X				



SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RUBICON FINANCIAL  
INCORPORATED  
(Registrant)

By: /s/ Joseph Mangiapane, Jr.  
Joseph Mangiapane, Jr.,  
Chief Executive Officer  
(On behalf of the  
Registrant and as  
Principal Financial  
Officer)

Date: November 20, 2009