

Edgar Filing: VIEW SYSTEMS INC - Form 10-Q

VIEW SYSTEMS INC  
Form 10-Q  
August 04, 2017  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2016

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

Commission file number 000-30178

VIEW SYSTEMS, INC.  
(Exact name of registrant as specified in its charter)

Colorado 59-2928366  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

6 Park Center Court, Owings Mills, Baltimore, Maryland 21117  
(Address of principal executive offices) (Zip Code)

(410) 242-8439  
(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 R 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. (Check one):

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

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange 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.

Class	Outstanding at August 3, 2017
Common Stock, \$.001 par value per share	326,705,526

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VIEW SYSTEMS, INC.  
FORM 10-Q  
FOR THE PERIOD ENDED SEPTEMBER 30, 2016

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Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

Information included in this Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of View Systems, Inc. (the "Company"), to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Actual results of the Company could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, the Company has no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

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View Systems, Inc. and Subsidiaries  
Consolidated Balance Sheets (Unaudited)

ASSETS

	September 30, 2016	December 31, 2015
Current Assets		
Cash	\$ 104	\$ 2,617
Accounts receivable	6,109	7,075
Inventory	1,088	1,088
Prepaid expenses	-	-
Total current assets	7,301	10,780
Property and Equipment (Net)	2,397	2,997
Other Assets		
Deposits	1,595	1,595
Total other assets	1,595	1,595
Total assets	\$ 11,293	\$ 15,372

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts payable	\$ 431,358	\$ 405,327
Deferred compensation	123,048	37,835
Accrued and withheld payroll taxes payable	183,781	175,184
Accrued interest payable	118,125	95,625
Accrued royalties payable	225,000	225,000
Loans from stockholders	591,208	564,703
Notes payable	50,000	61,095
Deferred revenue	69,523	94,973
Total current liabilities	1,792,043	1,659,742
Non-current Liabilities		
Notes payable (non-current portion)	-	-
Total liabilities	1,792,043	1,659,742
Stockholders' Deficit		
Convertible preferred stock, authorized 10,000,000 shares, \$.001 par value,		
Issued and outstanding 5,589,647	5,590	
Issued and outstanding 6,089,647	-	6,090
Common stock, authorized 950,000,000 shares, \$.001 par value,		
Issued and outstanding 326,705,526	326,705	-
Issued and outstanding 312,205,526	-	312,205

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Common stock issuable	16,000	16,000
Additional paid in capital	27,392,125	27,389,325
Accumulated deficit	(29,521,170)	(29,367,990)
Total stockholders' deficit	(1,780,750 )	(1,644,370 )
Total liabilities and stockholders' deficit	\$ 11,293	\$ 15,372

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

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View Systems, Inc. and Subsidiaries  
Consolidated Statements of Operations (Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues				
Product sales and Installation	\$2,005	\$593	\$7,570	\$92,480
Extended warranties	5,175	21,214	43,750	53,916
Total revenue	7,180	21,807	51,320	146,396
Cost of sales	(21 )	3,996	713	46,984
Gross profit	7,201	17,811	50,607	99,412
Operating expenses				
General and administrative	18,036	11,286	40,891	105,268
Professional fees	-	38,194	5,000	179,820
Salaries and benefits	29,261	62,549	113,296	171,931
Total operating expenses	47,297	112,029	159,187	457,019
Loss from operations	(40,096 )	(94,218 )	(108,580 )	(357,607 )
Other Income (expense)				
Interest expense	(10,812 )	(7,897 )	(44,600 )	(23,682 )
Total other income (expense)	(10,812 )	(7,897 )	(44,600 )	(23,682 )
Net loss	\$(50,908 )	\$(102,115 )	\$(153,180 )	\$(381,289 )
Net loss per share (basic and diluted)	\$(0.00 )	\$(0.00 )	\$(0.00 )	\$(0.00 )
Weighted average shares outstanding (basic and diluted)	326,705,526	312,305,526	322,574,464	301,736,478

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

View Systems, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows (Unaudited)For the Nine Months  
Ended  
September 30,  
2016      2015

Cash flows from operating activities:		
Net loss	\$(153,180)	\$(381,289)
Adjustments to reconcile net loss to		
Net cash used in operations:		
Depreciation and amortization	600	750
Common stock issued in payment of interest expense	16,800	-
Common stock issued in payment of services	-	26,750
Preferred stock issued in payment of services	-	75,000
Interest expense paid with debt	-	1,176
Change in operating assets and liabilities:		
(Increase) decrease in cash from:		
Accounts receivable	966	(8,518 )
Deposits	-	1,277
Increase (decrease) in cash from:		
Accounts payable	26,031	24,011
Deferred compensation	85,213	87,552
Accrued interest	22,500	22,500
Payroll taxes accrued and withheld	8,598	2,183
Deferred revenue	(25,450 )	34,585
Net cash used in operating activities	(17,922 )	(114,023)
Cash flows from financing activities:		
Principal payments on notes payable	(11,095 )	-
Loans to/from stockholders	26,505	104,166
Net cash provided by financing activities	15,410	104,166
Decrease in cash	(2,512 )	(9,857 )
Cash at beginning of period	2,617	13,077
Cash at end of period	\$105	\$3,220

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



View Systems, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Unaudited) (Continued)

For the Nine  
Months Ended  
September 30,  
2016 2015

Non cash investing and financing activities:

Interest expense paid with common stock	\$ 16,800	\$-
Loans from stockholders repaid with common stock	\$-	\$ 10,000
Deferred compensation paid with preferred stock	\$-	\$ 75,000
Accounts payable paid with common stock	\$-	\$ 100,000
Notes payable paid by shareholders	\$ 11,095	\$ 22,445
Issuance of common stock issuable	\$-	\$-

Cash paid for:

Interest	\$-	\$-
Income taxes	\$-	\$-

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