

PureSafe Water Systems, Inc.
Form 10-Q
November 21, 2012

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 September 30, 2012

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

Commission File Number: 001-09478

PureSafe Water Systems, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

86-0515678
(I.R.S. Employer Identification No.)

160 Dupont Street, Plainview, New York
(Address of principal executive offices)

11803
(Zip Code)

(516) 208-8250
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities 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.

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

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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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.
As of November 16, 2012, 469,578,679 shares of the common stock of the registrant were issued and 469,574,279 were outstanding.

EXPLANATORY NOTE

The Company is filing this Quarterly Report for the three-month period ended September 30, 2012, late due to delays in the preparation and review of the unaudited financial statements included herein. Our offices in Plainview, Nassau County, New York did not recommence limited operations until Monday, November 5, 2012. Nassau County was particularly hard hit by the hurricane. Resumption of full operations in our offices has been delayed further by northeaster storm that hit this area following the hurricane Sandy and the shortage of gas on Long Island that prevented our staff from showing up at work. Full operations were not resumed until Monday, November 12, 2012. In summary, ten or more days were lost in our preparation of the Company's quarterly financial statements, which are complex and require a substantial amount of review time and work with Marcum LLP and an outside accountant. We have been advised by both firms that their work schedules were impacted by Hurricane Sandy, as have those of many other accounting and financial firms in the New York area. In conformity with and reliance upon the Order (the "Order") under Section 36 of the Securities Exchange Act of 1934 Granting Exemptions from Specific Provisions of the Exchange Act and Certain Rules Thereunder (Securities Exchange Act of 1934 Release No. 68224, November 14, 2012), the Company is filing this Quarterly Report on or before November 21, 2012, in reliance on and as permitted by the Order, since the Company was not able to meet the November 19, 2012 Form 12b-25 extended filing deadline applicable to its Quarterly Report on Form 10-Q for the above stated reasons.

PURES SAFE WATER SYSTEMS, INC.

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PART I — FINANCIAL INFORMATION

ITEM CONSOLIDATED FINANCIAL STATEMENTS.

1.

Certain information and footnote disclosures required under accounting principles generally accepted in the United States of America have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. The following unaudited consolidated financial statements should be read in conjunction with the year-end restated consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2011.

The results of operations for the three and nine months ended September 30, 2012 and 2011 are not necessarily indicative of the results for the entire fiscal year or for any other period.

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PureSafe Water Systems Inc. and Subsidiary
Condensed Consolidated Balance Sheets
(Unaudited)

	September 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash	\$75,148	\$118,228
Inventories	414,265	468,093
Prepaid expenses and other current assets	26,478	56,674
Total Current Assets	515,891	642,995
Property and equipment, net of accumulated depreciation of \$127,866 and \$151,710, respectively	85,858	136,718
Patents and trademarks, net of accumulated amortization of \$40,290 and \$35,712, respectively	59,594	64,172
Other assets	63,886	58,560
TOTAL ASSETS	\$725,229	\$902,445
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable and accrued expenses	\$588,265	\$582,446
Accrued compensation	821,036	402,249
Deferred rent payable	7,050	32,800
Accrued consulting and director fees	144,000	144,000
Customer deposits	271,768	130,000
Convertible notes payable to officer and director (including accrued interest of \$120,312 and \$83,932 and net of debt discount of \$0 and \$12,623 respectively)	856,312	743,309
Convertible promissory note (including accrued interest of \$142,125 and \$83,929 and net of debt discount of \$178,556 and \$39,923, respectively)	1,238,753	989,006
Promissory notes payable (including accrued interest of \$209,909 and \$190,521, respectively)	666,754	838,265
Fair value of detachable warrants and conversion option	395,900	515,200
Accrued dividends payable	190,328	190,328
Total Current Liabilities	5,180,166	4,567,603
Long Term Liabilities:		
Promissory notes payable, net of current portion	11,464	15,200
Total Long Term Liabilities	11,464	15,200
TOTAL LIABILITIES	\$5,191,630	\$4,582,803
Commitments and Contingencies		
Stockholders' Deficiency:		
Preferred stock \$.001 par value; 10,000,000 shares authorized; 184,144 shares issued and outstanding (liquidation preference \$2,890,075 and \$2,808,850, as of	184	184

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September 30, 2012 and December 31, 2011, respectively)

Common stock, \$.001 par value; 450,000,000 authorized; 394,308,382 shares issued and 394,303,982 shares outstanding at September 30, 2012; 340,389,004 shares issued and 340,384,604 outstanding at December 31, 2011	394,308	340,388
Additional paid-in capital	39,869,170	38,667,448
Treasury Stock, at cost, 4,400 shares of common stock	(5,768)	(5,768)
Subscriptions receivable (including accrued interest of \$88,725 and \$73,538, respectively)	(425,925)	(410,738)
Accumulated deficit	(44,298,370)	(42,271,872)
Total Stockholders' Deficiency	(4,466,401)	(3,680,358)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	\$725,229	\$902,445

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

PureSafe Water Systems Inc. and Subsidiary
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2012	2011	2012	2011
Sales	\$--	--	\$265,000	\$