

PAID INC  
Form 10-Q  
May 15, 2018

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 March 31, 2018  
COMMISSION FILE NUMBER 0-28720  
(Exact Name of Registrant as Specified in its Charter)

DELAWARE 73-1479833  
(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

200 Friberg Parkway, Westborough, Massachusetts 01581  
(Address of Principal Executive Offices) (Zip Code)

(617) 861-6050  
(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. (Check one):

Large accelerated filer Accelerated Filer  
Non-accelerated filer Smaller reporting company  
(Do not check if a smaller reporting company)  
Emerging Growth Company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section

13(a) of the Exchange Act.

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 May 15, 2018, the issuer had outstanding 1,623,817 shares of its Common Stock.



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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## PAID, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2018 (Unaudited)	December 31, 2017 (Audited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$449,482	\$535,520
Accounts receivable, net	29,404	38,287
Funds held in trust	189,577	203,170
Prepaid expenses and other current assets	63,980	44,088
Total current assets	732,443	821,065
Property and equipment, net	102,638	92,486
Intangible assets, net	5,161,023	5,502,322
Goodwill	10,411,918	10,695,120
Total assets	\$16,408,022	\$17,110,993
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$634,992	\$636,997
Notes payable	86,722	113,033
Related party notes payable	-	30,176
Capital leases - current portion	8,438	8,459
Accrued expenses	1,052,695	1,066,994
Contract liabilities	262,629	279,250
Total current liabilities	2,045,476	2,134,909
Long term liabilities:		
Capital leases - net of current portion	19,711	22,494
Deferred tax liability	1,236,038	1,269,660
Total liabilities	3,301,225	3,427,063
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$0.001 par value, 20,000,000 shares authorized; 3,690,648 and 3,724,547 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively;	3,691	3,725
liquidation value of \$11,205,591 and \$11,301,999 as of March 31, 2018 and December 31, 2017, respectively	1,649	1,649

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Common stock, \$0.001 par value, 25,000,000 shares authorized; 1,648,657 shares issued 1,629,217 shares outstanding at March 31, 2018 and 1,648,657 shares issued and 1,634,122 outstanding at December 31, 2017

Additional paid-in capital	68,824,144	68,574,974
Accumulated other comprehensive income	603,720	975,877
Accumulated deficit	(56,291,892)	(55,845,766)
Common stock in treasury, at cost; 19,440 and 14,535 shares at March 31, 2018 and December 31, 2017, respectively	(34,515)	(26,529)
Total shareholders' equity	13,106,797	13,683,930
Total liabilities and shareholders' equity	\$16,408,022	\$17,110,993

See accompanying notes to condensed consolidated financial statements

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PAID, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS  
(Unaudited)

## Three Months Ended

March 31, 2018    March 31, 2017

Revenues, net	\$1,997,936	\$1,589,682
Cost of revenues:		
Cost of revenues	1,406,847	1,099,160
Amortization of acquired technology	74,622	72,843
Total cost of revenues	1,481,469	1,172,003
Gross profit	516,467	417,679
Operating expenses:		
Salaries and related	559,631	154,308
General and administrative	333,250	332,363
Amortization of other acquired intangible assets	139,690	130,226
Total operating expenses	1,032,571	616,897
Loss from operations		