

GTX CORP
Form 10-Q
November 19, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

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

For the quarterly period ended September 30, 2018

OR

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

For the transition period from _____ to _____

Commission file number **000-53046**

GTX Corp

Edgar Filing: GTX CORP - Form 10-Q

(Exact name of registrant as specified in its charter)

Nevada **98-0493446**
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

117 W. 9th Street, Suite 1214, Los Angeles, CA, 90015

(Address of principal executive offices) (Zip Code)

(213) 489-3019

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

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.

Edgar Filing: GTX CORP - Form 10-Q

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 17,738,261 common shares issued and outstanding as of November 19, 2018.

GTX CORP AND SUBSIDIARIES

For the quarter ended September 30, 2018

FORM 10-Q

	PAGE NO.
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements:</u>	3
<u>Condensed Consolidated Balance Sheets at September 30, 2018 (unaudited) and December 31, 2017</u>	3
<u>Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and nine months ended September 30, 2018 and 2017 (unaudited)</u>	4
<u>Condensed Statement of Changes in Stockholders' Deficit for the nine months ended September 30, 2018 (unaudited)</u>	5
<u>Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2018 and 2017 (unaudited)</u>	6
<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	17
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	24
Item 4. <u>Controls and Procedures</u>	24
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	24
Item 1A. <u>Risk Factors</u>	24
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	25
Item 3. <u>Defaults Upon Senior Securities</u>	25
Item 4. <u>Mine Safety Disclosures</u>	25
Item 5. <u>Other Information</u>	25

Item 6. <u>Exhibits</u>	26
<u>Signatures</u>	27

PART I**ITEM 1. FINANCIAL STATEMENTS****GTX CORP AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2018	December 31, 2017
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,310	\$ 1,454
Accounts receivable, net	182,049	93,130
Inventory	49,208	57,835
Other current assets	14,697	60,153
Total current assets	261,264	212,572
Property and equipment, net	91,397	116,234
Investment in equity securities	897	3,230
Intangible assets	18,010	17,520
Total assets	\$ 371,568	\$ 349,556
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 372,023	\$ 297,779
Accrued expenses	499,323	289,343
Deferred revenues	41,000	57,934
Convertible promissory note, net of discount	1,219,547	981,758
Convertible promissory note – related parties	884,546	-
Term loans	200,000	200,000
Derivative liabilities	120,033	261,172
Total current liabilities	3,336,472	1,887,986
Long-term convertible debt – related parties	-	670,047
Total liabilities	3,336,472	2,558,033
Commitments and contingencies		
Stockholders' deficit:	100	-

Edgar Filing: GTX CORP - Form 10-Q

Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 1,000,000 shares issued and outstanding		
Common stock, \$0.0001 par value; 2,071,000,000 shares authorized; 15,098,261 and 9,389,982 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	1,510	939
Additional paid-in capital	19,351,648	18,855,596
Accumulated other comprehensive loss	-	(59,249)
Accumulated deficit	(22,318,162)	(21,005,763)
Total stockholders' deficit	(2,964,904)	(2,208,477)
Total liabilities and stockholders' deficit	\$371,568	\$349,556

See accompanying notes to condensed consolidated financial statements.

GTX CORP AND SUBSIDIARIES**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Product sales	\$132,517	\$92,368	\$409,677	\$237,148
Service income	50,497	59,268	146,647	122,551
Royalty and consulting income	12,500	22,913	37,500	95,201
Total revenues	195,514	174,549	593,824	454,900
Cost of products sold	30,420	58,739	124,028	144,656
Costs of other revenue	15,510	8,264	37,380	50,828