

Edgar Filing: VIEW SYSTEMS INC - Form 10-Q

VIEW SYSTEMS INC  
Form 10-Q  
August 28, 2018  
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 JUNE 30, 2018

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 £ (Do not check if a smaller reporting company)	Smaller reporting company R
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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 28, 2018
Common Stock, \$.001 par value per share	326,705,526

VIEW SYSTEMS, INC.  
FORM 10-Q  
FOR THE PERIOD ENDED June 30, 2018

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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.

Insert financials

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

	June 30, 2018	December 31, 2017
Current Assets		
Cash	\$ 379	\$ 82
Accounts receivable	15,985	-
Total current assets	16,364	82
Property and Equipment (Net)	997	1,397
Total assets	\$ 17,361	\$ 1,479

LIABILITIES AND  
STOCKHOLDERS' DEFICIT

Current Liabilities		
Accounts payable	\$ 186,709	\$ 436,574
Deferred compensation	60,000	264,744
Accrued and withheld payroll taxes payable	196,966	193,654
Accrued interest payable	171,653	155,625
Accrued royalties payable	-	225,000
Loans from stockholders	324,253	637,034

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Notes payable	80,480	50,000
Deferred revenue	1,517	59,715
Derivative liability	96,000	-
Total liabilities	1,117,578	2,022,346

Stockholders' Deficit

Convertible preferred stock, authorized 10,000,000 shares, \$.001 par value, Issued and outstanding 5,589,647	5,590	5,590
Common stock, authorized 950,000,000 shares, \$.001 par value, Issued and outstanding 326,705,526	326,705	326,705
Common stock issuable 16,000	16,000	16,000
Additional paid in capital 27,392,125	27,392,125	27,392,125
Accumulated deficit (28,840,637)	(28,840,637)	(29,761,287)
Total stockholders' deficit	(1,100,217)	(2,020,867)

Total liabilities and stockholders' deficit	\$ 17,361	\$ 1,479
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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 June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
<b>Revenues</b>				
Product sales and Installation	\$-	\$1,398	\$-	\$1,987
Extended warranties	775	10,975	22,050	19,150
Service income	33,849	11,279	86,202	11,279
<b>Total revenue</b>	<b>34,624</b>	<b>23,652</b>	<b>108,252</b>	<b>32,416</b>
<b>Cost of sales</b>	<b>9,297</b>	<b>7,828</b>	<b>15,473</b>	<b>7,828</b>
<b>Gross profit</b>	<b>25,327</b>	<b>15,824</b>	<b>92,779</b>	<b>24,588</b>
<b>Operating expenses</b>				
General and administrative	44,275	42,902	110,070	43,213
Professional fees	3,000	8,148	12,500	8,148
Salaries and benefits	-	30,553	60,000	60,553
<b>Total operating expenses</b>	<b>47,275</b>	<b>81,603</b>	<b>182,570</b>	<b>111,914</b>
<b>Loss from operations</b>	<b>(21,948)</b>	<b>(65,779)</b>	<b>(89,791 )</b>	<b>(87,326 )</b>
<b>Other Income (expense)</b>				
Derivative expense	51,042	-	(43,000 )	-
Gain from renegotiation of debt				