

PureSafe Water Systems, Inc.  
Form 10-Q  
September 30, 2015

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

X .

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

For the quarterly period ended March 31, 2015

**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: **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.)

**850 3<sup>rd</sup> Ave, New York, New York**  
(Address of principal executive offices)

**10022**  
(Zip Code)

**(516) 208-8250**

(Registrant's telephone number, including area code)

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

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 September 28, 2015, 2,548,778,041 shares of the common stock of the registrant were issued and outstanding.

**PURES SAFE WATER SYSTEMS, INC.**

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**PART I FINANCIAL INFORMATION**

**ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS.**

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 consolidated financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2014.

The results of operations for the three months ended March 31, 2015 and 2014 are not necessarily indicative of the results for the entire fiscal year or for any other period.

**PureSafe Water Systems, Inc. and Subsidiary**  
**Condensed Consolidated Balance Sheets**

	<b>March 31, 2015</b>	<b>December 31,</b>
	<b>(Unaudited)</b>	<b>2014</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 258	\$ 4,967
Inventories	141,636	141,636
Prepaid expenses and other current assets	36,592	38,281
<b>Total Current Assets</b>	<b>178,486</b>	<b>184,884</b>
Property and equipment, net of accumulated depreciation of		
\$44,449 and \$44,449, respectively	-	-
Patents and trademarks, net of accumulated amortization of		
\$55,549 and \$54,023, respectively	51,792	53,318
Other assets	23,390	23,390
<b>Total Assets</b>	<b>\$ 253,668</b>	<b>\$ 261,592</b>
<b>Liabilities and Stockholders' Deficiency</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 1,607,843	\$ 1,474,363
Accrued compensation	342,943	951,982
Accrued consulting and director fees	144,000	144,000
Notes payable to officer and director		
(including accrued interest of \$0 and \$170,710, respectively)	20,989	560,760
Convertible promissory notes		
(including accrued interest of		
\$375,661 and \$327,807 and net of debt discount of \$222,291		
and \$200,459, respectively)	1,934,718	1,772,571
Promissory notes payable (including accrued interest of		
\$281,646 and \$273,086 respectively)	838,129	842,531

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Fair value of detachable warrants and conversion option	881,300	2,354,600
Accrued dividends payable	190,328	190,328
Preferred stock to be issued	-	40,000
Common stock to be issued	22,895	5,000
<b>Total Current Liabilities</b>	<b>5,983,145</b>	<b>8,336,135</b>
<b>Total Liabilities</b>	<b>5,983,145</b>	<b>8,336,135</b>
<b>Commitments and Contingencies</b>	-	-
<b>Stockholders' Deficiency:</b>		
Preferred stock par value \$0.00001 par value; 10,000,000 shares authorized; 184,750 and 184,224 shares issued and outstanding (liquidation preference \$4,427,439 and \$3,858,801, as of March 31, 2015 and December 31, 2014, respectively)	2	2
Common stock par value \$0.00001: 10,000,000,000 shares authorized; 2,090,882,330 shares issued and 2,090,877,930 shares outstanding at March 31, 2015; 1,743,981,286 shares issued and 1,743,976,886 shares outstanding at December 31, 2014	20,909	17,439
Additional paid in capital	45,441,441	44,170,214
Treasury stock, at cost, 4,400 shares of common stock	(5,768)	(5,768)
Accumulated deficit	(51,186,061)	(52,256,430)
<b>Total Stockholders' Deficiency</b>	<b>(5,729,477)</b>	<b>(8,074,543)</b>
<b>Total Liabilities and Stockholders' Deficiency</b>	<b>\$ 253,668</b>	<b>\$ 261,592</b>

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

**PureSafe Water Systems, Inc. and Subsidiary**  
**Condensed Consolidated Statements of Operations**  
**(unaudited)**

	<b>For the Three Months Ended</b>	
	<b>March 31, 2015</b>	<b>March 31, 2014</b>
<b>Sales</b>	\$ -	\$ -
<b>Cost of Sales</b>	-	-
<b>Gross Profit (Loss)</b>	-	-
<b>Operating expenses:</b>		
Compensation and related benefits, including stock-based		
compensation of \$15,000 and \$0 for the three months ended		
March 31, 2015 and 2014, respectively	111,564	96,849
Insurance and medical benefits	19,009	34,382
Research and development	2,031	-
Professional, legal and consulting fees	67,985	28,388
Occupancy	94,984	15,855
Other administrative and general	13,482	19,028
<b>Total operating expenses</b>	<b>309,055</b>	<b>194,502</b>
<b>Loss from operations</b>	<b>(309,055)</b>	<b>(194,502)</b>
<b>Other income (expense):</b>		
Interest expense, including interest to related parties of		
\$7,285 and \$13,401 for the three months ended March 31, 2015		
and 2014, respectively	(526,976)	(207,765)
Change in fair value of derivative liabilities	1,906,400	(107,800)
<b>Total Other Income (Expense)</b>	<b>1,379,424</b>	<b>(315,565)</b>
<b>Net Income (Loss)</b>	<b>1,070,369</b>	<b>(510,067)</b>
<b>Dividend on preferred stock</b>	<b>(33,638)</b>	<b>(27,075)</b>



<b>Net Income (Loss) Attributable to Common Stockholders</b>	<b>\$ 1,036,731</b>	<b>\$ (537,142)</b>
<b>Net Income (Loss) Attributable to Common Stockholders</b>		
<b>Per Share:</b>		
<b>Basic</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>
<b>Diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares outstanding:</b>		
<b>Basic</b>	<b>2,237,929,789</b>	<b>1,084,720,281</b>
<b>Diluted</b>	<b>24,598,126,362</b>	<b>1,084,720,281</b>

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

**PureSafe Water Systems, Inc. and Subsidiary**  
**Condensed Consolidated Statements of Cash Flows**  
**(unaudited)**

	<b>For the Three Months Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2015</b>	<b>2014</b>
<b>Cash Flows From Operating Activities:</b>		
Net income (loss)	\$ 1,070,369	\$ (510,067)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Amortization of patents and trademarks	1,526	1,526
Interest expense - amortization of deferred financing	-	4,250
Professional fees - note conversions	600	375
Stock based compensation	15,000	-
Accretion of debt discount	124,517	87,920
Interest expense - derivative liabilities	318,950	49,600
Change in fair value of warrants and embedded conversion option	(1,906,400)	107,800
Changes in assets and liabilities:		
Prepaid expenses and other current assets	1,689	32,780
Accounts payable, accrued expenses, accrued interest, accrued dividends, accrued compensation, accrued consulting and director fees, and other current liabilities	232,111	133,429
<b>Net Cash Used in Operating Activities</b>	<b>(141,638)</b>	<b>(92,387)</b>
<b>Cash Flows From Financing Activities:</b>		
Cash proceeds from convertible promissory notes	146,350	-
Cash received under preferred stock subscription	51	-
Cash proceeds from promissory notes, officers and directors	3,490	6,500
Repayment of officers and directors loans	-	(6,300)
Cash proceeds from notes payable	-	92,500
Repayment of notes payable	(12,962)	(2,500)
<b>Net Cash Provided by Financing Activities</b>	<b>136,929</b>	<b>90,200</b>
<b>Net increase (decrease) in cash</b>	<b>(4,709)</b>	<b>(2,187)</b>
Cash at beginning of period	4,967	2,199
<b>Cash at end of the period</b>	<b>\$ 258</b>	<b>\$ 12</b>