

CIRTRAN CORP
Form 10-Q
November 21, 2012

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 June 30, 2012

.. 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 000-49654

CirTran Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

68-0121636

(I.R.S. Employer Identification No.)

4125 South 6000 West, West Valley City, Utah 84128
(Address of principal executive offices, including zip code)

(801) 963-5112

(Registrant's telephone number, including area code)

n/a

(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.

Yeso

Nox

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

x

No

o

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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.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the 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. **As of November 19, 2012, issuer had 1,921,502,289 outstanding shares of common stock, par value \$0.001.**

CIRTRAN CORPORATION

FORM 10-Q

For the Quarterly Period Ended June 30, 2012

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CIRTRAN CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	June 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ -	\$ 173,780
Trade accounts receivable, net of allowance for doubtful accounts of \$935,111 and \$1,023,156, respectively	155,817	27,585
Inventory, net of reserve of \$2,270,430 and \$2,271,008 , respectively	291,715	465,074
Other	6,529	26,136
Total current assets	454,061	692,575
Investment in securities, at cost	300,000	300,000
Long-term receivable, net of allowance of \$1,582,895	-	-
Property and equipment, net	122,635	172,480
Other assets, net	21,269	2,010
Total assets	\$ 897,965	\$ 1,167,065
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Checks written in excess of bank balance	\$ 50,042	\$ 208,193
Accounts payable	4,540,417	4,079,330
Related party payable	771,174	705,056
Short term advances payable	3,860,163	3,800,263
Accrued payroll and compensation expense	2,297,319	1,913,075
Accrued liabilities	2,445,637	2,589,709
Accrued interest	2,478,296	2,054,148
Deferred revenue	4,460,501	3,485,463
Derivative liability	461,248	294,717
Convertible debenture	3,161,355	3,161,355
Refundable customer deposits	506,754	1,317,387

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Liabilities subject to compromise	1,122,154	1,122,154
Current maturities of long-term debt	936,585	906,585
Current liabilities to minority interest holders	619,786	443,696
Note payable to stockholders and members	151,833	151,833
Total current liabilities	27,863,264	26,232,964
Total liabilities	27,863,264	26,232,964
Stockholders' deficit		
CirTran Corporation stockholders' deficit:		
Common stock, par value \$0.001; authorized 4,500,000,000 shares; issued and outstanding shares: 1,921,502,289 and 1,819,302,289	1,921,502	1,819,297
Additional paid-in capital	29,864,129	29,872,151
Subscription receivable	(17,000)	(17,000)
Accumulated deficit	(49,990,814)	(48,267,171)
Total CirTran Corporation stockholders' deficit	(18,222,183)	(16,592,723)
Non-controlling interest	(8,743,116)	(8,473,176)
Total stockholders' deficit	(26,965,299)	(25,065,899)
Total liabilities and stockholders' deficit	\$ 897,965	\$ 1,167,065

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

CIRTRAN CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net sales	\$ 315,755	\$ 685,625	\$ 934,455	\$ 2,080,825
Cost of sales	(8,814)	(133,130)	(246,964)	(328,417)
Royalty Expense	(5,011)	(534,296)	(526,015)	(1,078,361)
Gross profit	301,930	18,199	161,476	674,047
Operating expenses				
Selling, general and administrative expenses	672,868			