

PAID INC
Form 10-Q
August 10, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009

COMMISSION FILE NUMBER 0-28720

PAID, INC.

(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

73-1479833
(I.R.S. Employer
Identification No.)

4 Brussels Street, Worcester, Massachusetts 01610
(Address of Principal Executive Offices) (Zip Code)

(508) 791-6710
(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

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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. (Check one):

Large accelerated filer

Accelerated Filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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 August 4, 2009, the issuer had outstanding 262,938,458 shares of its Common Stock, par value \$.001 per share.

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For the Three and Six Months ended June 30, 2009

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PAID, INC.
BALANCE SHEETS

ASSETS	June 30, 2009 (Unaudited)	December 31, 2008 (Audited)
Current assets:		
Cash and cash equivalents	\$ 3,040,653	\$ 106,948
Accounts receivable, net	114,409	1,425
Inventories, net	1,076,066	1,016,938
Deferred expenses	915,720	—
Prepaid expenses and other current assets	449,712	404,876
Due from employees and others	19,188	42,497
Total current assets	5,615,748	1,572,684
Property and equipment, net	22,931	30,967
Intangible asset, net	9,418	9,888
Total assets	\$ 5,648,097	\$ 1,613,539
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 233,332	\$ 399,383
Accrued expenses	615,775	495,139
Deferred revenues	4,283,120	119,700
Total current liabilities	5,132,227	1,014,222
Commitments and contingencies		
Shareholders' equity:		
Common stock, \$.001 par value, 350,000,000 shares authorized; 264,589,549 and 251,369,046 shares issued and outstanding at June 30, 2009 and December 31, 2008, respectively	264,587	251,369
Additional paid-in capital	38,441,472	36,392,504
Accumulated deficit	(37,990,189)	(36,044,556)
Stock subscription receivable	(200,000)	—

Total shareholders' equity	515,870	599,317
Total liabilities and shareholders' equity	\$ 5,648,097	\$ 1,613,539

See accompanying notes to financial statements

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PAID, INC. AND SUBSIDIARY
STATEMENTS OF OPERATIONS

(Unaudited)

Three months ended June 30,	Three months ended June 30,	Six months ended June 30,	Six months
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