

IMERGENT INC
Form 10-Q
May 10, 2007

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 March 31, 2007

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 001-32277

iMergent, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

87-0591719

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

754 E. Technology Avenue, Orem, Utah 84097

(Address of Principal Executive Offices)

84097

(Zip Code)

(801) 227-0004

(Registrant's telephone number, including area code)

Not Applicable

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (check one): Large Accelerated Filer Accelerated Filer

Edgar Filing: IMERGENT INC - Form 10-Q

Non-Accelerated Filer .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

The number of shares outstanding of the registrant's common stock as of April 30, 2007 was 12,320,004.

PART I - FINANCIAL INFORMATION

Item 1. **Financial Statements**

Unaudited Condensed Consolidated Balance Sheets as of March 31, 2007 and June 30, 2006

Unaudited Condensed Consolidated Income Statements for the three and nine months ended March 31, 2007 and 2006

Unaudited Condensed Consolidated Statement of Stockholders' Equity for the nine months ended March 31, 2007

Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended March 31, 2007 and 2006

Notes to Unaudited Condensed Consolidated Financial Statements

Item 2. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

Item 3. **Quantitative and Qualitative Disclosures about Market Risk**

Item 4. **Controls and Procedures**

Part II - OTHER INFORMATION

Item 1. **Legal Proceedings**

Item 1A. **Risk Factors**

Item 2. **Unregistered Sales of Equity Securities and Use of Proceeds**

Item 3. **Defaults Upon Senior Securities**

Item 4. **Submission of Matters to a Vote of Security Holders**

Item 5. **Other Information**

Item 6. **Exhibits**

Signatures

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

iMERGENT, INC. AND SUBSIDIARIES**Condensed Consolidated Balance Sheets****(Dollars in thousands, except per share data)****(unaudited)**

	March 31, 2007	June 30, 2006
Assets		
Current Assets:		
Cash and cash equivalents	\$ 38,981	\$ 30,023
Certificate of deposit		500
Trade receivables, net of allowance for doubtful accounts of \$13,152 as of March 31, 2007 and \$6,894 as of June 30, 2006	24,282	13,419
Inventories	207	151
Prepaid expenses and other	7,250	2,739
Total Current Assets	70,720	46,832
Certificate of deposit	500	
Long-term trade receivables, net of allowance for doubtful accounts of \$6,103 as of March 31, 2007 and \$4,117 as of June 30, 2006	11,239	7,508
Property and equipment, net	1,778	696
Deferred income tax assets	11,091	9,976
Merchant account deposits and other	580	1,000
Total Assets	\$ 95,908	\$ 66,012
Liabilities and Stockholders Equity		
Current Liabilities:		
Accounts payable	\$ 2,792	\$ 2,752
Accrued expenses and other	4,722	4,085
Dividends payable	1,230	
Income taxes payable	843	348
Deferred revenue, current portion	29,313	20,064
Capital lease obligations	42	91
Total Current Liabilities	38,942	27,340
Deferred revenue, net of current portion	11,239	8,693
Total Liabilities	50,181	36,033
Commitments and contingencies		
Stockholders Equity:		
Preferred stock, par value \$0.001 per share - authorized 5,000,000 shares; none issued		
Common stock, par value \$0.001 per share - authorized 100,000,000 shares; 12,302,067 shares outstanding as of March 31, 2007 and 12,375,313 shares outstanding as of June 30, 2006	12	12
Additional paid-in capital	76,012	77,762
Accumulated deficit	(30,297)	(47,795)
Total Stockholders Equity	45,727	29,979
Total Liabilities and Stockholders Equity	\$ 95,908	\$ 66,012

Edgar Filing: IMERGENT INC - Form 10-Q

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

iMERGENT, INC. AND SUBSIDIARIES

Condensed Consolidated Income Statements

(Dollars in thousands, except per share data)

(unaudited)

**Three Months Ended March 31,
2007**

2006

**Nine Months Ended March 31,
2007**

2006

Re