

CYIOS CORP
Form 10-Q
May 17, 2010

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, 2010

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 No. 000-27243

CYIOS CORPORATION
(Exact name of Registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

03-7392107
(I.R.S. Employer Identification Number)

1300 PENNSYLVANIA AVE, SUITE 700
WASHINGTON DC
(Address of principal executive offices)

20004
(Zip/Postal Code)

(202) 204-3006
(Telephone Number)

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

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.

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

State the number of shares outstanding of each of the Issuer's classes of common equity, as of the latest practicable date. There were 35,698,877 common stock shares and 29,713 preferred shared convertible to common at a 1:1 ratio, par value \$0.001, as of March 31, 2010.

Note Regarding FORWARD-LOOKING STATEMENTS

In addition to historical information, this Report contains forward-looking statements. Such forward-looking statements are generally accompanied by words such as "intends," "projects," "strategies," "believes," "anticipates," "plans," and similar terms that convey the uncertainty of future events or outcomes. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such a difference include, but are not limited to; those discussed in Part Item 2 of this Report, the section entitled "MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION and Part II Item 1a Risk Factors." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof and are in all cases subject to the Company's ability to cure its current liquidity problems. There is no assurance that the Company will be able to generate sufficient revenues from its current business activities to meet day-to-day operation liabilities or to pursue the business objectives discussed herein.

The forward-looking statements contained in this Report also may be impacted by future economic conditions. Any adverse effect on general economic conditions and consumer confidence may adversely affect the business of the Company. CYIOS Corporation undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof. In addition, readers should carefully review the factors described in other documents the Company files from time to time with the Securities and Exchange Commission.

Table of Contents

Part I - FINANCIAL INFORMATION	1
<u>Item 1. Financial Statements and Supplementary Information</u>	1
<u>Item 2. Management's Discussion and Analysis</u>	13
<u>INTRODUCTION</u>	13
<u>CORPORATE OVERVIEW</u>	13
<u>RECENT DEVELOPMENTS</u>	14
<u>FINANCIAL CONDITION</u>	14
<u>RESULTS OF OPERATIONS</u>	15
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	17
<u>Item 4. Controls and Procedures</u>	17
<u>Item 4T. Controls and Procedures</u>	18
Part II – OTHER INFORMATION	20
<u>Item 1. Legal Proceedings</u>	20
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.</u>	28
<u>Item 3. Defaults Upon Senior Securities.</u>	28
<u>Item 4. Submission of Matters to a Vote of Security Holders.</u>	28
<u>Item 5. Other Information.</u>	28
<u>Item 6. Exhibits</u>	28

Table of Contents

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements and Supplementary Information

In the opinion of management, the accompanying unaudited consolidated financial statements included in this Form 10-Q reflect all adjustments necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

CYIOS Corporation and Subsidiaries
Consolidated Balance Sheet

	As of March 31, 2010--(unaudited)	As of December 31, 2009--(audited)
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 31,961	\$ 76,448
Accounts Receivable	169,160	114,596
Prepaid and Other Current Assets	112,837	101,697
TOTAL CURRENT ASSETS	313,958	292,741
FIXED ASSETS, NET	2,024	2,220
OTHER ASSETS		
Related Party Loan	234,284	234,284
TOTAL OTHER ASSETS	234,284	234,284
TOTAL ASSETS	\$ 550,266	\$ 529,245
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current Liabilities:		
Line of Credit	\$ 66,273	\$ 71,100
Convertible Note Payable	50,000	-
Accruals and Other Payables	101,800	99,521
TOTAL LIABILITIES	218,073	170,621
STOCKHOLDERS' EQUITY		
Convertible Preferred Stock (\$.001 par value, 5,000,000 authorized: 29,713 and 29,713 issued and outstanding)	30	30
Common Stock (\$.001 par value, 100,000,000 shares authorized: 35,698,877 and 30,148,877 shares issued and outstanding)	35,699	30,149
Additional Paid-in-Capital	24,567,488	24,199,038
Accumulated Deficit	(24,271,024)	(23,870,593)
TOTAL STOCKHOLDERS' EQUITY	332,193	358,624
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 550,266	\$ 529,245

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

Table of Contents

CYIOS Corporation and Subsidiaries
Consolidated Statement of Operations--(unaudited)

	For the three months ended March 31,	
	2010	2009
SALES AND COST OF SALES		
Sales	\$446,276	\$374,923
Cost of Sales	266,299	218,508
Gross Profit	179,977	156,415
EXPENSES		
Selling, general and administrative	28,254	17,869
Payroll Expense--Indirect Labor	158,070	110,933
Consulting and Professional Fees Expense	28,380	5,156
Payroll Expense--Stock Compensation	350,000	6,000
Consulting Expense--Stock Compensation	14,167	27,500
Depreciation	196	196
TOTAL EXPENSES	579,067	167,654
Net Income/(Loss) from Operations	(399,090)	(11,239)
OTHER INCOME/(EXPENSE)		
Interest Income	1,307	1,266
Interest Expense	(2,647)	(4,864)
NET OTHER INCOME/(EXPENSE)	(1,340)	(3,598)
PROVISION FOR INCOME TAXES	-	-