

ZAGG Inc
Form 10-Q/A
January 27, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A
(Amendment No. 2)

(Mark one)

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2011, 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. 000-52211

ZAGG INC

(Exact name of registrant as specified in its charter)

Nevada

20-2559624

(State or other jurisdiction of incorporation or organization)(I.R.S. Employer Identification No.)

3855 South 500 West, Suite J

Salt Lake City, Utah 84115

(Address of principal executive offices with zip code)

(801) 263-0699

(Registrant's telephone number, including area code)

Check whether the issuer (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 (§ 229.405 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 Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-25 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: 29,395,553 common shares as of August 10, 2011.

EXPLANATORY NOTE

This Amendment No. 2 (“Amendment No. 2”) amends ZAGG Inc’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, filed with the Securities and Exchange Commission on August 15, 2011 (the “Original Filing”). This Form 10-Q/A amends the original filing to reflect a change in the description of a material weakness contained in management’s assessment of the disclosure controls and procedures as of June 30, 2011. Amendment No. 2 does not include any changes to the Company’s Condensed Consolidated Financial Statements included in the Original Filing. The following section of the Original Filing was revised:

- Item 4 – Controls and Procedures

In addition, the Company’s principal executive officer and principal financial officer have provided new certifications in connection with this Amendment No. 2 (Exhibits 31.1, 31.2, 32.1, and 32.2).

Except as described above, no other amendments have been made to the Original Filing. This Amendment continues to speak as of the date of the Original Filing, and the Company has not updated the disclosure contained herein to reflect events that have occurred since the date of the Original Filing. Accordingly, this Amendment No. 2 should be read in conjunction with the Original Filing (except as amended hereby), as well as the Company’s other filings made with the SEC subsequent to the filing of the Original Filing, including any amendments to those filings.

Item 4. Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15b under the Securities Exchange Act of 1934 as of the end of the period covered by this Report. Based on their review of our disclosure controls and procedures, they have concluded that our disclosure controls and procedures were not effective as of the period covered by this Quarterly Report on Form 10-Q due to a material weakness: specifically, a lack of a sufficient number of accounting professionals with the necessary experience and training.

Controls and Procedures of Recently Acquired Subsidiary Business

As a result of the acquisition of iFrogz on June 21, 2011, the Company has implemented internal controls over financial reporting to include consolidation of iFrogz, as well as acquisition-related accounting and disclosures. The acquisition of iFrogz represents a material change in internal control over financial reporting since management's last assessment of the Company's internal control over financial reporting, which was completed as of December 31, 2010. iFrogz utilizes separate information and accounting systems and processes.

The Company's management is reviewing and evaluating its internal control procedures and the design of those control procedures relating to the iFrogz acquisition and evaluating when it will complete an evaluation and review of iFrogz internal control over financial reporting.

Changes in Internal Controls over Financial Reporting

We have made no changes in our internal controls over financial reporting in the most recent quarterly reporting period that have materially affected, or are reasonably likely to affect our internal controls over financial reporting.

Limitations on the Effectiveness of Internal Controls

An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ZAGG INC

Date: January 27, 2012

By: /s/ ROBERT G. PEDERSEN II
Robert G. Pedersen II,
Chief Executive Officer
(Principal executive officer)

Date: January 27, 2012

By: /s/ BRANDON T. O'BRIEN
Brandon T. O'Brien,
Chief Financial Officer
(Principal financial officer)