

MPHASE TECHNOLOGIES INC
Form 10-K/A
November 15, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

(Amendment No. 2)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE
ACT OF 1934
(NO FEE REQUIRED)
FOR THE YEAR ENDED JUNE 30, 2010**

COMMISSION FILE NO. 000-30202

mPHASE TECHNOLOGIES, INC.

(Name of issuer in its charter)

NEW JERSEY
(State or other jurisdiction of
incorporation or organization)

22-2287503
(I.R.S. Employer
Identification Number)

587 CONNECTICUT AVE., NORWALK,
(Address of principal executive offices)

CT 06854-1711
(Zip Code)

Registrant's telephone number, including area code: **(203) 838-2741**

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

COMMON STOCK, \$.01 PAR VALUE

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.

Yes [] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes [] No [X]

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 shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No []

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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 such shorter period that the registrant was required to submit and post such files).

Yes [] No []

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to the Form 10-K. []

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 [X]

Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act)

Yes [] No [X]

As of September 20, 2010 there were approximately 1,214,893,205 shares of common stock, \$01 par value, outstanding and the aggregate market price of shares held by non-affiliates was approximately \$11,938,796. (Based upon a closing common stock price of \$.011 on September 20, 2010 solely for the purpose of calculating the preceding amount, all directors and officers of the registrant are deemed to be affiliates.)

Documents Incorporated by Reference

None

Explanatory Note

This Amendment No. 2 to Form 10K for mPhase Technologies, Inc. for the period ended June 30, 2010, is being filed for purposes of correcting certain errors contained in the Balance Sheet on page 72 of Amendment No. 1 to Form 10K/A for the period ended June 30, 2010. This Form 10K/A amendment No. 2 has not been updated for any events or subsequent information other than the matters set forth herein.

mPHASE TECHNOLOGIES, INC.
(A Development Stage Company)

Consolidated Balance Sheets

| | June 30, 2009 | June 30, 2010 |
|---|--------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 100,138 | \$ 228,437 |
| Accounts receivable | 46,065 | 122,478 |
| Inventory | | 98,807 |
| Prepaid and other current assets | 153,636 | 208,707 |
| Current Portion, Note receivable | | 2,700,000 |
| TOTAL CURRENT ASSETS | \$ 299,839 | \$ 3,358,429 |
| Property and equipment, net | 39,648 | 62,311 |
| Notes receivable, net of contra reserve for utilization of corresponding Convertible Debenture agreement with La Jolla of \$0, and \$600,000 | 3,150,000 | 2,464,000 |
| TOTAL ASSETS | \$ 3,489,487 | \$ 5,884,740 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 809,410 | \$ 539,444 |
| Accrued expenses | 425,062 | 540,203 |
| Due to related parties | 236,328 | 19,214 |
| Notes payable, related parties | 1,465,992 | 870,817 |
| Short term notes | 65,000 | 65,000 |
| Accounts Payable and Accrued Expenses-Discontinued Activities | 1,112,872 | 1,112,872 |
| Capital Call Notes-Discontinued Activities (Former GRANITA Employees - See Note 6) | 175,820 | 0 |
| Current Portion, Long term debt | - | 10,352 |
| TOTAL CURRENT LIABILITIES | \$ 4,290,484 | \$ 3,157,902 |
| Long term portion Equipment loan | - | 27,703 |
| OTHER OBLIGATIONS CONVERTIBLE TO EQUITY- (Note 8) | | |
| Convertible debt derivative liability | 2,380,816 | 5,966,149 |
| Convertible debentures net of discount of \$1,385,395 and \$2,628,740 on June 30, 2009 and 2010 respectively | 2,052,355 | 4,577,710 |
| COMMITMENTS AND CONTINGENCIES -(Note 11) | | |
| STOCKHOLDERS' DEFICIT | | |
| Common stock, par value \$.01, 2,000,000,000 shares authorized 870,419,882 and 1,163,751,952 shares issued and outstanding at June 30, 2009 and 2010 respectively | 8,704,197 | 11,637,519 |

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| | | |
|--|-----------------------|-----------------------|
| Additional paid in capital | 172,861,427 | 174,683,294 |
| Deficit accumulated during development stage | (186,791,819) | (194,157,564) |
| Less-Treasury stock, 13,750 shares at cost | (7,973) | (7,973) |
| TOTAL STOCKHOLDERS' DEFICIT | \$ (5,234,168) | \$ (7,844,724) |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT | \$ 3,489,487 | \$ 5,884,740 |

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

SIGNATURES

Pursuant to the requirements of the Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant, has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

mPHASE TECHNOLOGIES, INC.

Dated: November 15, 2010 By: /s/ RONALD A. DURANDO
Ronald A. Durando
President, CEO

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| | |
|---|-------------------|
| Ronald A. Durando, Chief Executive Officer, Director | November 15, 2010 |
| Gustave T. Dotoli, Chief Operating Officer, Director | November 15, 2010 |
| Martin S. Smiley, Executive Vice President, Chief Financial Officer and General Counsel | November 15, 2010 |
| Anthony Guerino, Director | November 15, 2010 |
| Abraham Biderman, Director | November 15, 2010 |
| Victor Lawrence, Director | November 15, 2010 |
