

BIOLARGO, INC.
Form 10-Q
May 16, 2011

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 March 31, 2011.

or

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

For the transition period from to

Commission File Number 000-19709

BIOLARGO, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

65-0159115
(I.R.S. Employer
Identification No.)

16333 Phoebe Avenue
La Mirada, California 90638
(Address, including zip code, of principal executive offices)

(949) 643-9540
(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

Edgar Filing: BIOLARGO, INC. - Form 10-Q

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 Regulations 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 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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 of the Registrant’s Common Stock outstanding as of May 13, 2011 was 55,090,123 shares.

Table of Contents

BIOLARGO, INC.
FORM 10-Q
INDEX

PART I

Item 1	Financial Statements	1
Item 2	Management's Discussion and Analysis and Financial Condition and Results of Operations	15
Item 4	Controls and Procedures	20

PART II

Item 2	Unregistered Sales of Equity Securities and Use of Proceeds	21
Item 5	Other Information	22
Item 6	Exhibits	22
	Signatures	22
Exhibit Index		23
Exhibit 31.1		
Exhibit 31.2		
Exhibit 32		

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

BIOLARGO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2010 AND MARCH 31, 2011

	December 31, 2010	March 31, 2011 (unaudited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$425,069	\$639,498
Accounts receivable	16,216	9,359
Inventory	7,813	21,438
Prepaid expenses	3,815	3,815
Total current assets	452,913	674,110
FIXED ASSETS		
Equipment, net	6,826	8,072
TOTAL ASSETS	\$459,739	\$682,182
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$710,419	\$694,566
Convertible notes payable, current portion	1,636,625	723,000
Discount on convertible notes, current portion net of amortization	(211,364)	(127,202)
Note payable	120,000	100,000
Deferred revenue	115,500	112,415
Deposit	17,500	100,000
Total Current Liabilities	2,388,680	1,602,779
LONG-TERM LIABILITIES		
Convertible notes payable, net of current portion	1,120,185	1,120,185
Discount on convertible notes, net of current portion and amortization	(456,243)	(357,452)
Total Long-term Liabilities	663,942	762,733
TOTAL LIABILITIES	3,052,622	2,365,512
COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS (Notes 11, 12 and 13)		
STOCKHOLDERS' EQUITY		

Edgar Filing: BIOLARGO, INC. - Form 10-Q

Convertible Preferred Series A, \$.00067 Par Value, 50,000,000 and 25,000,000 Shares Authorized, -0- Shares Issued and Outstanding, at March 31, 2011 and December 31, 2010.		—	—
Common Stock, \$.00067 Par Value, 200,000,000 Shares Authorized, 55,090,123 and 51,782,619 Shares Issued, at March 31, 2011 and December 31, 2010, respectively	34,734		36,967
Additional Paid-In Capital	60,883,288		63,230,857
Accumulated Deficit	(63,510,905)		(64,951,154)
Total Stockholders' Equity (Deficit)	(2,592,883)		(1,668,330)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$459,739		\$682,182

See accompanying notes to unaudited condensed consolidated financial statements

BIOLARGO, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2010 AND 2011
 (unaudited)

	For the three-month periods ended March 31,	
	2010	2011
Revenue	\$10,733	\$9,518
Cost of goods sold	8,539	19,663
Gross Profit	2,194	(10,145)
Costs and expenses		
Selling, general and administrative	1,588,487	1,153,485
Amortization and depreciation	2,391	2,495