

Vivakor, Inc.
Form 10-Q
November 22, 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 September 30, 2010

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 000-53535

Vivakor, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

26-2178141

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

18 Technology Drive, Suite 165, Irvine, CA 92618

(Address of principal executive offices, including zip code)

(888) 648-8485

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name, former address and former fiscal year, if changed since last report)

Indicate by 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

Edgar Filing: Vivakor, Inc. - Form 10-Q

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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 Exchange Act Rule 12b-2). YES NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

137,275,494 shares of Common Stock as of November 17, 2010

VIVAKOR, INC.

INDEX

	Page Number
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements and Notes (Unaudited)	3
<u>Condensed Consolidated Balance Sheets — September 30, 2010 and December 31, 2009</u>	3
<u>Condensed Consolidated Statements of Operations Three and nine months ended September 30, 2010 and 2009</u>	4
<u>Condensed Consolidated Statements of Cash Flows — Nine months ended September 30, 2010 and 2009</u>	5
<u>Notes to Condensed Consolidated Financial Statements</u>	6
Item 2. <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	15
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risks</u>	23
Item 4T. <u>Controls and Procedures</u>	23
PART II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	24
Item 2. <u>Unregistered Sale of Equity Securities and Use of Proceeds</u>	24
Item 3. <u>Defaults Upon Senior Securities</u>	24
Item 4. (Removed and Reserved)	24
Item 5. <u>Other Information</u>	24
Item 6. <u>Exhibits</u>	24
<u>SIGNATURES</u>	25

Item 1A of Part II has been omitted based on the Company’s status as a “smaller reporting company.”

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Vivakor, Inc.

Condensed Consolidated Balance Sheets

	September 30, 2010 (Unaudited)	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 561	\$ 187,646
Accounts receivable	41,234	-
Inventories	7,781	38,860
Deferred loan costs	6,500	-
Prepaid expenses and deposits	-	7,592
Total current assets	56,076	234,098
Investment in unconsolidated affiliate	307,915	307,915
Property and equipment, net	-	85,207
Patents, net	2,287,643	2,844,097
	\$ 2,651,634	\$ 3,471,317
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 191,886	\$ 243,612
Accrued wages	730,077	828,018
Dividend payable related to investment	307,915	-
Deferred revenue	102,638	132,554
Loans and advances from related parties	19,097	347,572
Grant payable	166,789	159,487
Note payable	-	505,058
Convertible notes payable	107,316	-
Fair value of share conversion feature	114,615	-
Total current liabilities	1,740,333	2,216,301
Deferred revenue	122,228	199,207
Deferred income taxes	800,675	995,434
Total liabilities	2,663,236	3,410,942
Commitments		
Stockholders' equity:		
Preferred stock, \$.001 par value; 10,000,000 shares authorized; none issued and outstanding	-	-
Common stock, \$.001 par value; 242,500,000 shares authorized; 101,379,996 shares in 2010		

Edgar Filing: Vivakor, Inc. - Form 10-Q

and 62,992,322 in 2009, issued and outstanding (4,459,000 held in escrow in 2010)	99,240	62,992
Additional paid-in capital	5,507,553	4,224,141
Notes receivable	(1,040,541)	(1,329,518)
Accumulated deficit	(4,998,879)	(3,420,661)
Total Vivakor, Inc. stockholders' equity	(432,627)	(463,046)
Noncontrolling interest	421,025	523,421
Total stockholders' equity	(11,602)	60,375
	\$ 2,651,634	\$ 3,471,317

See accompanying notes.

Note: The balance sheet as of December 31, 2009 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

Vivakor, Inc.

Condensed Consolidated Statements of Operations

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Revenues:				
Product sales	\$ -	\$ 10,148	\$ 135,650	\$ 30,435
License fees	25,660	-	76,979	-
Grant revenue	-	38,212	-	112,912
Total revenues	25,660	48,360	212,629	143,347
Cost of revenues	-	8,657	107,859	24,148
Gross profit	25,660	39,703	104,770	119,199
Operating expenses:				
Research and development	198,203	288,267	714,393	870,838
Sales and marketing	1,029	55,542	2,859	56,033
General and administrative	366,077	332,076	1,114,419	623,509
Total operating expenses	565,309	675,885		