

GLOWPOINT, INC.
Form 10-Q
May 10, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2012.

or

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number: 0-25940

GLOWPOINT, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

77-0312442

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

430 Mountain Avenue, Suite 301, Murray Hill, NJ, 07974
(Address of Principal Executive Offices, including Zip Code)
(973) 855-3411

(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 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 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-2 of the Exchange Act.)

Yes No

The number of shares outstanding of the registrant's common stock as of May 7, 2012 was 25,788,407.

GLOWPOINT, INC.

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GLOWPOINT, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands, except par value, stated value and shares)

	March 31, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets:		
Cash	\$2,049	\$1,818
Accounts receivable, net of allowance for doubtful accounts of \$146 and \$147, respectively	2,563	2,520
Prepaid expenses and other current assets	281	330
Total current assets	4,893	4,668
Property and equipment, net	4,385	4,738
Other assets	31	59
Total assets	\$9,309	\$9,465
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Revolving loan facility	\$750	\$750
Current portion of capital lease	180	177
Accounts payable	1,122	1,382
Accrued expenses	864	1,024
Accrued sales taxes and regulatory fees	537	434
Customer deposits	167	139
Net current liabilities of discontinued operations	—	50
Deferred revenue	203	235
Total current liabilities	3,823	4,191
Long term liabilities:		
Capital lease, less current portion	288	334
Total long term liabilities	288	334
Total liabilities	4,111	4,525
Commitments and contingencies		
Stockholders' equity:		
Preferred stock Series B-1, non-convertible; \$.0001 par value; \$100,000 stated value; 100 shares authorized and 100 and 100 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively, liquidation value of \$10,000	\$10,000	\$10,000
Preferred stock Series A-2, convertible; \$.0001 par value; \$7,500 stated value; 7,500 shares authorized and 94 and 94 shares issued and outstanding at March 31, 2012 and December 31, 2011 recorded at fair value, respectively, liquidation value of \$704	297	297
Common stock, \$.0001 par value; 150,000,000 shares authorized; 25,685,750 and 25,180,000 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively	3	3
Additional paid-in capital	159,425	159,339
Accumulated deficit	(164,527) (164,699
Total stockholders' equity	5,198	4,940

Total liabilities and stockholders' equity	\$9,309	\$9,465
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See accompanying notes to condensed consolidated financial statements.

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GLOWPOINT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2012	2011
Revenue	\$6,746	\$6,981
Operating expenses:		
Network and infrastructure	2,076	2,412
Global managed services	1,696	1,894
Sales and marketing	986	921
General and administrative	1,350	1,407
Depreciation and amortization	440	276
Total operating expenses	6,548	6,910
Income from operations	198	71
Interest and other expense:		
Interest expense, net	11	18
Amortization of deferred financing costs	15	15
Total interest and other expense, net	26	33
Income from continuing operations	172	38
Loss from discontinued operations	—	(6
Net income	\$172	\$32
Net income per share:		
Continuing operations	\$0.01	\$0.00
Discontinued operations	\$0.00	\$0.00
Basic net income per share	\$0.01	\$0.00
Continuing operations	\$0.01	\$0.00
Discontinued operations	\$0.00	\$0.00
Diluted net income per share	\$0.01	\$0.00
Weighted average number of common shares:		
Basic	24,354	20,674
Diluted	25,718	24,703

See accompanying notes to condensed consolidated financial statements.

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GLOWPOINT, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Three Months Ended March 31, 2012

(In thousands except shares of Series B-1 and A-2 Preferred Stock)

(Unaudited)

Series B-1 Preferred Stock		Series A-2 Preferred Stock		Common Stock
Shares	Amount	Shares	Amount	Shares