

BioMETRX  
Form 10QSB  
May 15, 2006

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

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**FORM 10-QSB**

Quarterly Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For the Quarter Period Ended  
March 31, 2006

Commission File No.  
0-15807

**BIOMETRX, INC.**

(Exact name of Registrant as specified in its Charter)

Delaware  
(State or jurisdiction of incorporation or  
organization)

31-1190725  
(IRS Employer Identification No.)

500 North Broadway, Suite 204, Jericho, NY  
(Address of Principal Executive Office)

11753  
(Zip Code)

Registrant's telephone number, including area code:

(516) 937-2828

N/A

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

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 a short-er 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

The number of shares outstanding of the Registrant's Common Stock, \$.001 par value, as of May 12, 2006 was 7,253,916.

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**PART I - FINANCIAL INFORMATION**

**Item 1: Financial Statements (Unaudited)**

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**BIOMETRX, INC. AND SUBSIDIARIES**  
*(A Development Stage Company)*  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**March 31, 2006**  
**(Unaudited)**

**ASSETS****Current Assets:**

Cash	\$	86,853
Restricted Cash		56,427
Marketable Securities		603
Prepaid Expenses		17,800
Loans Receivable- Stockholder/ Officer		201,598
Loans Receivable- Employee		3,000
<b>Total Current Assets</b>		<b>366,281</b>

<b>Property and Equipment, net</b>		<b>11,471</b>
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**Other Assets:**

Security Deposit		14,076
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<b>TOTAL ASSETS</b>	<b>\$</b>	<b>391,828</b>
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**LIABILITIES AND STOCKHOLDERS' DEFICIT****Current Liabilities:**

Notes Payable	\$	100,000
Accounts Payable		227,392
Accrued Payroll Taxes Payable		35,269
Accrued Payroll - Related Parties		310,000
Commissions Payable		656,489

<b>Total Current Liabilities</b>		<b>1,329,150</b>
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<b>TOTAL LIABILITIES</b>		<b>1,329,150</b>
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**COMMITMENTS AND CONTINGENCIES****Stockholders' Deficit:**

Preferred Stock, \$.01 par value; 10,000,000 shares authorized; no shares issued and outstanding		—
Common Stock, \$.001 par value; 25,000,000 shares authorized; 6,987,492 shares issued and outstanding		6,987
Additional Paid-In-Capital		18,605,843
Debt Issuance Expense		(65,313)

<b>Deferred Compensation</b>	<b>(1,144,818)</b>
<b>Deficit Accumulated in the Development Stage</b>	<b>(18,340,021)</b>
<b>Total Stockholders' Deficit</b>	<b>(937,322)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 391,828</b>

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

**BIOMETRX, INC. AND SUBSIDIARIES**  
*(A Development Stage Company)*  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**(Unaudited)**

	<b>FOR THE THREE MONTHS ENDED MARCH 31, 2006</b>	<b>FOR THE THREE MONTHS ENDED MARCH 31, 2005</b>	<b>FOR THE PERIOD FEBRUARY 1, 2001 (INCEPTION) TO MARCH 31, 2006</b>
<b>REVENUES</b>	\$	—\$	—\$
<b>Costs and Expenses:</b>			
General and Administrative Expenses	508,708	179,566	2,666,046
Research and Development Expenses	142,755	32,362	661,921
Contract Buyouts Issued In Stock	—	—	356,000
Amortization of Deferred Compensation	368,196	14,583	806,182
Compensatory Element of Stock and Option Issuances	4,788,812	—	13,836,313
<b>Total Costs and Expenses</b>	<b>5,808,471</b>	<b>226,511</b>	<b>18,326,462</b>
<b>Loss before Other Income (Expense)</b>	<b>(5,808,471)</b>	<b>(226,511)</b>	<b>(18,326,462)</b>
<b>Other Income (Expense)</b>			
Interest Expense	(605)	—	(7,617)
Unrealized Gain (Loss) on Marketable Securities	143	—	(5,942)
<b>Total Other Income (Expense)</b>	<b>(462)</b>	<b>—</b>	<b>(13,559)</b>
<b>NET LOSS</b>	<b>\$ (5,808,933)</b>	<b>\$ (226,511)</b>	<b>\$ (18,340,021)</b>
<b>Weighted Average Common Shares Outstanding</b>	<b>6,496,756</b>	<b>3,168,861</b>	
<b>Net Loss per Common Share (Basic and Diluted)</b>	<b>\$ (0.89)</b>	<b>\$ (0.07)</b>	

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

**BIOMETRX INC. AND SUBSIDIARIES**  
*(A Development Stage Company)*  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	FOR THE THREE MONTHS ENDED MARCH 31, 2006 (UNAUDITED)	FOR THE THREE MONTHS ENDED MARCH 31, 2005 (UNAUDITED)	FOR THE PERIOD FEBRUARY 1, 2001 (INCEPTION) TO MARCH 31, 2006 (UNAUDITED)
<b><u>Cash Flows from Operating Activities:</u></b>			
Net Loss	\$ (5,808,933)	\$ (226,511)	\$ (18,340,021)
Adjustment to reconcile net loss to net cash used in operating activities:			
Compensatory Element of Stock and Warrant Issuances			
	4,788,813	14,583	14,192,314
Amortization of Deferred Compensation	368,196	—	806,182
Amortization of Deferred Debt Issuance Expense	5,938	—	5,938
Depreciation	80	—	80
Unrealized (Gain) Loss on Marketable Securities	(142)	—	5,943
Change in Operating Assets and Liabilities:			
(Increase) Decrease in Prepaid Expenses	41,353	—	(17,797)
(Increase) Decrease in Security Deposits	2,460	(2,860)	(14,076)
Increase (Decrease) in Accounts Payable	73,458	(11,948)	109,534
Increase (Decrease) in Accrued Taxes Payable	(1,734)	14,355	35,269
Increase in Accrued Payroll - Related Parties	—	55,000	960,000
Net Cash Used in Operating Activities	(530,511)	(157,381)	(2,256,634)
<b><u>Cash Flows from Investing Activities:</u></b>			
Purchase of Fixed Assets	(11,552)	—	(11,552)
Net Cash Used in Operating Activities	(11,552)	—	(11,552)
<b><u>Cash Flows from Financing Activities:</u></b>			
Restricted Cash	10,000	(320,000)	(86,427)
Proceeds of Loans	—	—	25,000
Proceeds from Notes Payable	100,000	—	100,000
Advances from (to) Stockholder/Officer	—	40,624	(381,598)
Repayment of Related Party Loans	—	—	(109,736)
Advances to Employee	—	—	(3,000)

Repayments of Loans	—	—	(25,000)
Proceeds from Issuances of Common Stock	372,000	705,000	3,096,750
Commissions Paid on Sales of Common Stock	(37,200)	—	(260,950)
Net Cash Provided by Investing Activities	444,800	425,624	2,355,039
Net Increase (Decrease) in Cash	(97,263)	268,243	86,853
Cash, Beginning	184,116	31,111	—
Cash, Ending	\$ 86,853	\$ 299,354	\$ 86,853

**Supplemental Cash Flow Information:**

## Cash Paid During the Period for:

Interest	\$ —	\$ —	—
Income Taxes	\$ —	\$ —	—

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



**BIOMETRX INC. AND SUBSIDIARIES**  
*(A Development Stage Company)*  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	<b>FOR THE THREE MONTHS ENDED MARCH 31, 2006 (UNAUDITED)</b>	<b>FOR THE THREE MONTHS ENDED MARCH 31, 2005 (UNAUDITED)</b>	<b>FOR THE PERIOD FEBRUARY 1, 2001 (INCEPTION) TO MARCH 31, 2006 (UNAUDITED)</b>
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**Supplemental Disclosures of Cash Flow Information:****Non Cash Financing Activities:**

<b>Common Stock Issued as Commissions on Sale of Common Stock</b>	\$	—\$	—\$	<b>1,168,918</b>
<b>Accrued Commissions on Sales of Sales of Common Stock</b>	\$	<b>431,706</b>	\$	<b>105,000</b>
<b>Reduction of Loans Receivable - Officer Against Accrued Compensation</b>	\$	—\$	—\$	<b>650,000</b>
<b>Issuance of Common Stock - Debt Issuance</b>	\$	<b>71,250</b>	\$	—\$
<b>Issuance of Common Stock - Deferred Compensation</b>	\$	<b>1,096,000</b>	\$	—