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MEDCOM USA INC Form 10QSB February 11, 2005

U.S. Securities and Exchange Commission Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended December 31, 2004.

Transition Report Pursuant to Section 13 or 15(d)
[_] of the Securities Exchange Act

For the transition period from N/A to N/A

Commission File No. 0-25474

MEDCOM USA, INCORPORATED (Name of small business issuer as specified in its charter)

DELAWARE
State of Incorporation

65-0287558

IRS Employer Identification No.

7975 NORTH HAYDEN ROAD, SUITE D-333 SCOTTSDALE, AZ 85258 (Address of principal executive offices)

> (480) 675-8865 (Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 X No

The number of shares of the issuer's common equity outstanding as of January 27, 2005 was 52,192,415 shares of common stock.

Transitional Small Business Disclosure Format (check one):

Yes No X

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MEDCOM USA, INC. INDEX TO FORM 10-QSB FILING FOR THE INTERIM PERIODS ENDED DECEMBER 31, 2004

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

MEDCOM USA, INC. CONSOLIDATED BALANCE SHEET (UNAUDITED) AS OF DECEMBER 31, 2004

ASSETS
CURRENT ASSETS

Cash
Accounts receivable, net of allowance of \$72,250
Accounts receivable - affiliate
Inventories
Prepaid expenses and other current assets

\$ 235,189
488,331
488,331
75,362

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Total current assets	1,683,351
PROCESSING TERMINALS, net of accum. deprec. \$2,707,493	3,624,156
PROPERTY AND EQUIPMENT, net of accum. deprec. \$1,373,417	492,038
GOODWILL	436,423
OTHER ASSETS	76,657
TOTAL ASSETS	\$ 6,312,625
LIABILITIES AND STOCKHOLDERS' EQUITY:	
CURRENT LIABILITIES:	
Accounts payable	\$ 225,327
Accrued expenses and other liabilities	601 , 705
Dividend payable	23,750
Notes payable - current	109,437
Deferred revenue - current portion	1,174,593
Reserve for sales returns	40,270
Capital lease obligations - current portion	1,726,997
Total current liabilities	3,902,079
CAPITAL LEASE OBLIGATIONS - long-term portion	3,378,358
DEFERRED REVENUE	1,741,966
Total liabilities	9,022,403
STOCKHOLDERS' DEFICIT:	
Convertible preferred stock, Series A \$.001par value, 52,900 shares	
designated, 4,250 issued and outstanding	4
Convertible preferred stock, Series D \$.01par value, 50,000 shares	
designated, 2,850 issued and outstanding	29
Common stock, \$.0001 par value, 80,000,000 shares authorized,	
53,330,668 issued and 53,143,681 outstanding	5,332
Treasury stock	(37, 397)
Paid in capital	73,472,041
Accumulated deficit	(76,149,787)
Total stockholders' deficit	(2,709,778)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 6,312,625