

Marathon Patent Group, Inc.
Form S-1/A
July 18, 2013

As filed with the Securities and Exchange Commission on July 17 , 2013.

SEC File No. 333-189574

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

Amendment No. 2
To
FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MARATHON PATENT GROUP, INC.
(Exact name of registrant as specified in its charter)

Nevada	6794	01-0949984
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2331 Mill Road, Suite 100
Alexandria, VA 22314
Telephone: (703) 232-1701
(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

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(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should
be sent to:

Harvey J. Kesner, Esq.
Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, New York 10006
Telephone: (212) 930-9700

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" 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"/> x

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED (1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common Stock	8,240,718	\$0.38(2)	\$3,131,473	\$427.13
Common Stock underlying Warrants	1,120,359	\$0.38(2)	\$425,737	\$58.07
Total	9,361,077		\$3,557,210	\$485.20*

(1) Pursuant to Rule 416 under the Securities Act, the shares of common stock offered hereby also include an indeterminate number of additional shares of common stock as may from time to time become issuable by reason of stock splits, stock dividends, recapitalizations or other similar transactions.

(2) Estimated at \$0.38 per share, the average of the high and low prices as reported on the OTCBB on June 21, 2013, for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act.

* Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JULY 17, 2013

PRELIMINARY PROSPECTUS

9,361,077 SHARES

MARATHON PATENT GROUP, INC.

Common Stock

This prospectus relates to the sale by the selling stockholders identified in this prospectus of up to 9,361,077 shares of our common stock, par value \$0.0001, which includes 1,120,359 shares of common stock issuable upon the exercise of outstanding warrants.

There are no underwriting arrangements to sell the shares of common stock that are being offered by the selling stockholders hereunder. The prices at which the selling stockholders may sell shares will be determined by the prevailing market price for the shares or in privately negotiated transactions. We will not receive any proceeds from the sale of these shares by the selling stockholders. All expenses of registration incurred in connection with this offering are being borne by us, but all selling and other expenses incurred by the selling stockholders will be borne by the selling stockholders.

Our common stock is quoted on the OTC Bulletin Board under the symbol "MARA". On July 16, 2013, the last reported sale price of our common stock as reported on the OTC Bulletin Board was \$0.40 per share.

Investing in our common stock is highly speculative and involves a high degree of risk. You should carefully consider the risks and uncertainties in the section entitled "Risk Factors" beginning on page 6 of this prospectus before making a decision to purchase our stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2013

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You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Prospectus Summary

Our principal office is located at 2331 Mill Road, Suite 100, Alexandria, VA 22314. Our telephone number is (703) 232-1701. Our website is <http://www.marathonpg.com/>. Information on or accessed through our website is not incorporated into this prospectus and is not a part of this prospectus.

As used in this prospectus, unless otherwise specified, references to the “Company,” “we,” “our” and “us” refer to Marathon Patent Group, Inc. and, unless otherwise specified, its subsidiary.

The Offering

Common stock offered by the selling stockholders: 9,361,077 shares of common stock, consisting of 2,240,718 shares of common stock and 1,120,359 shares of common stock issuable upon the exercise of outstanding warrants sold to investors in the private placement conducted from December 2012 through March 2013 and 6,000,000 shares of common stock issued in connection with a certain merger agreement pursuant to which the Company has certain registration obligations .

Common stock outstanding before and after the offering: 65,858,810 (1) and 66,979,169 (2)

Use of proceeds: We will not receive any proceeds from the sale of shares in this offering by the selling stockholders.

OTCBB symbol: MARA

Risk factors: You should carefully consider the information set forth in this prospectus and, in particular, the specific factors set forth in the “Risk Factors” section beginning on page 6 of this prospectus before deciding whether or not to invest in shares of our common stock.

(1) The number of shares before the offering is based on 65,858,810 shares outstanding as of July 16, 2013

(2) The number of shares after the offering is based on 65,858,810 shares outstanding as of July 16, 2013, assuming all the warrants for which the underlying shares of common stock being offered (1,120,359) have been exercised.

RISK FACTORS

There are numerous and varied risks, known and unknown, that may prevent us from achieving our goals. If any of these risks actually occur, our business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of our common stock could decline and investors could lose all or part of their investment.

Risks Related to Our Company

We have changed the focus of our business to acquiring, developing and monetizing patents through licensing and enforcement. We may not be able to successfully monetize the patents which we acquire and thus we may fail to realize all of the anticipated benefits of such acquisition.

There is no assurance that we will be able to successfully acquire, develop or monetize our patent portfolio. The acquisition of the patents could fail to produce anticipated benefits, or could have other adverse effects that we do not currently foresee. Failure to successfully monetize these patent assets may have a material adverse effect on our business, financial condition and results of operations.

In addition, the acquisition of patent portfolios is subject to a number of risks, including, but not limited to the following:

- There is a significant time lag between acquiring a patent portfolio and recognizing revenue from those patent assets. During that time lag, material costs are likely to be incurred that would have a negative effect on our results of operations, cash flows and financial position; and
- The integration of a patent portfolio will be a time consuming and expensive process that may disrupt our operations. If its integration efforts are not successful, our results of operations could be harmed. In addition, we may not achieve anticipated synergies or other benefits from such acquisition.

Therefore, there is no assurance that the monetization of our patent portfolios will generate enough revenue to recoup our investment.

We are presently reliant exclusively on the patent assets we acquired from other companies. If we are unable to license or otherwise monetize such assets and generate revenue and profit through those assets or by other means, there is a significant risk that our business would fail.

At the commencement of our current line of business in 2012, we acquired a portfolio of patent assets from Sampo IP LLC (“Sampo”), a company affiliated with our Chief Executive Officer, Douglas Croxall, that we plan to license or otherwise monetize. On April 16, 2013, we acquired US Patent 5,331,637 from Mosaid Technologies Incorporated, a Canadian corporation. On April 22, 2013, we acquired a foundational patent portfolio through a merger between Cyberfone Acquisition Corp., a Texas corporation and our wholly owned subsidiary and Cyberfone Systems LLC, a Texas limited liability company (“Cyberfone Systems”). If our efforts to generate revenue from these assets fail, we will have incurred significant losses and may be unable to acquire additional assets. If this occurs, our business would likely fail. We did not obtain any independent valuation with respect to the portfolios we acquired.

Our limited operating history makes it difficult to evaluate our current business and future prospects.

We are a development stage company and have generated no revenue as of March 31, 2013 and have only incurred expenses related to our patents. We have, prior to the acquisition of Sampo, been involved in unrelated businesses. Our efforts to license existing patents and develop new patents are still in development. Therefore, we not only have no operating history in executing our business model which includes, among other things, creating, prosecuting, licensing, litigating or otherwise monetizing our patent assets. Our lack of operating history makes it difficult to evaluate our current business model and future prospects.

In light of the costs, uncertainties, delays and difficulties frequently encountered by companies in the early stages of development with no operating history, there is a significant risk that we will not be able to:

- implement or execute our current business plan, or demonstrate that our business plan is sound; and/or
- raise sufficient funds in the capital markets to effectuate our business plan.

If we cannot execute any one of the foregoing or similar matters relating to our operations, our business may fail.

We may commence legal proceedings against certain companies, and we expect such litigation to be time-consuming and costly, which may adversely affect our financial condition and our ability to operate our business.

To license or otherwise monetize our patent assets, we may commence legal proceedings against certain companies, pursuant to which we may allege that such companies infringe on one or more of our patents. Our viability could be highly dependent on the outcome of the litigation, and there is a risk that we may be unable to achieve the results we desire from such litigation, which failure would harm our business to a great degree. In addition, the defendants in the litigations are likely to be much larger than us and have substantially more resources than we do, which could make our litigation efforts more difficult.

We anticipate that these legal proceedings may continue for several years and may require significant expenditures for legal fees and other expenses. Disputes regarding the assertion of patents and other intellectual property rights are highly complex and technical. Once initiated, we may be forced to litigate against others to enforce or defend our intellectual property rights or to determine the validity and scope of other parties' proprietary rights. The defendants or other third parties involved in the lawsuits in which we are involved may allege defenses and/or file counterclaims in an effort to avoid or limit liability and damages for patent infringement. If such defenses or counterclaims are successful, they may preclude our ability to derive licensing revenue from the patents. A negative outcome of any such litigation, or one or more claims contained within any such litigation, could materially and adversely impact our business. Additionally, we anticipate that our legal fees and other expenses will be material and will negatively impact our financial condition and results of operations and may result in our inability to continue our business.

We may seek to internally develop additional new inventions and intellectual property, which would take time and be costly. Moreover, the failure to obtain or maintain intellectual property rights for such inventions would lead to the loss of our investments in such activities.

Part of our business may include the internal development of new inventions or intellectual property that we will seek to monetize. However, this aspect of our business would likely require significant capital and would take time to achieve. Such activities could also distract our management team from its present business initiatives, which could have a material and adverse effect on our business. There is also the risk that our initiatives in this regard would not yield any viable new inventions or technology, which would lead to a loss of our investments in time and resources in such activities.

In addition, even if we are able to internally develop new inventions, in order for those inventions to be viable and to compete effectively, we would need to develop and maintain, and we would be heavily reliant upon, a proprietary position with respect to such inventions and intellectual property. However, there are significant risks associated with any such intellectual property we may develop principally including the following:

- patent applications we may file may not result in issued patents or may take longer than we expect to result in issued patents;

- we may be subject to interference proceedings;
- we may be subject to opposition proceedings in the U.S. or foreign countries;
- any patents that are issued to us may not provide meaningful protection;

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- we may not be able to develop additional proprietary technologies that are patentable;
- other companies may challenge patents issued to us;
- other companies may have independently developed and/or patented (or may in the future independently develop and patent) similar or alternative technologies, or duplicate our technologies;
- other companies may design around technologies we have developed; and
- enforcement of our patents would be complex, uncertain and very expensive.

We cannot be certain that patents will be issued as a result of any future applications, or that any of our patents, once issued, will provide us with adequate protection from competing products. For example, issued patents may be circumvented or challenged, declared invalid or unenforceable, or narrowed in scope. In addition, since publication of discoveries in scientific or patent literature often lags behind actual discoveries, we cannot be certain that we will be the first to make our additional new inventions or to file patent applications covering those inventions. It is also possible that others may have or may obtain issued patents that could prevent us from commercializing our products or require us to obtain licenses requiring the payment of significant fees or royalties in order to enable us to conduct our business. As to those patents that we may license or otherwise monetize, our rights will depend on maintaining our obligations to the licensor under the applicable license agreement, and we may be unable to do so. Our failure to obtain or maintain intellectual property rights for our inventions would lead to the loss of our investments in such activities, which would have a material and adverse effect on us.

Moreover, patent application delays could cause delays in recognizing revenue from our internally generated patents and could cause us to miss opportunities to license patents before other competing technologies are developed or introduced into the market.

New legislation, regulations or court rulings related to enforcing patents could harm our business and operating results.

If Congress, the United States Patent and Trademark Office or courts implement new legislation, regulations or rulings that impact the patent enforcement process or the rights of patent holders, these changes could negatively affect the Company's business model. For example, limitations on the ability to bring patent enforcement claims, limitations on potential liability for patent infringement, lower evidentiary standards for invalidating patents, increases in the cost to resolve patent disputes and other similar developments could negatively affect the Company's ability to assert its patent or other intellectual property rights.

In addition, on September 16, 2011, the Leahy-Smith America Invents Act (the "Leahy-Smith Act"), was signed into law. The Leahy-Smith Act includes a number of significant changes to United States patent law. These changes include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. The U.S. Patent Office is currently developing regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act recently became effective. Accordingly, it is too early to tell what, if any, impact the Leahy-Smith Act will have on the operation of the Company's business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of the Company's issued patents, all of which could have a material adverse effect on the Company's business and financial condition.

On February 27, 2013, US Representatives DeFazio and Chaffetz introduced HR845. In general, the bill known as the SHIELD Act (“Saving High-tech Innovators from Egregious Legal Disputes”), seeks to assess legal fee liability to plaintiffs in patent infringement actions for defendants costs. In the event that the bill becomes law, the potential obligation to pay the legal fees of defendants in patent disputes could have a material adverse effect on the Company’s business or financial condition.

On June 4, 2013, the Obama Administration issued executive actions and legislative recommendations. The legislative measures recommended by the Obama Administration include requiring patentees and patent applicants to disclose the “Real Party-in-Interest”, giving district courts more discretion to award attorney’s fees to the prevailing party, requiring public filing of demand letters such that they are accessible to the public, and protecting consumers against liability for a product being used off-the shelf and solely for its intended use.

The executive actions includes ordering the USPTO to make rules to require the disclosure of the Real Party-in-Interest by requiring patent applicants and owners to regularly update ownership information when they are involved in proceedings before the USPTO (e.g. specifying the “ultimate parent entity”) and requiring the USPTO to train its examiners to better scrutinize functional claims to prevent allowing overly broad claims.

It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become enacted as laws. Compliance with any new or existing laws or regulations could be difficult and expensive, affect the manner in which the Company conducts its business and negatively impact the Company’s business, prospects, financial condition and results of operations.

Our acquisitions of patent assets may be time consuming, complex and costly, which could adversely affect our operating results.

Acquisitions of patent or other intellectual property assets, which are and will be critical to our business plan, are often time consuming, complex and costly to consummate. We may utilize many different transaction structures in our acquisitions and the terms of such acquisition agreements tend to be heavily negotiated. As a result, we expect to incur significant operating expenses and will likely be required to raise capital during the negotiations even if the acquisition is ultimately not consummated. Even if we are able to acquire particular patent assets, there is no guarantee that we will generate sufficient revenue related to those patent assets to offset the acquisition costs. While we will seek to conduct confirmatory due diligence on the patent assets we are considering for acquisition, we may acquire patent assets from a seller who does not have proper title to those assets. In those cases, we may be required to spend significant resources to defend our interest in the patent assets and, if we are not successful, our acquisition may be invalid, in which case we could lose part or all of our investment in the assets.

We may also identify patent or other intellectual property assets that cost more than we are prepared to spend with our own capital resources. We may incur significant costs to organize and negotiate a structured acquisition that does not ultimately result in an acquisition of any patent assets or, if consummated, proves to be unprofitable for us. These higher costs could adversely affect our operating results, and if we incur losses, the value of our securities will decline.

In addition, we may acquire patents and technologies that are in the early stages of adoption in the commercial, industrial and consumer markets. Demand for some of these technologies will likely be untested and may be subject to fluctuation based upon the rate at which our licensees will adopt our patents and technologies in their products and services. As a result, there can be no assurance as to whether technologies we acquire or develop will have value that we can monetize.

In certain acquisitions of patent assets, we may seek to defer payment or finance a portion of the acquisition price. This approach may put us at a competitive disadvantage and could result in harm to our business.

We have limited capital and may seek to negotiate acquisitions of patent or other intellectual property assets where we can defer payments or finance a portion of the acquisition price. These types of debt financing or deferred payment arrangements may not be as attractive to sellers of patent assets as receiving the full purchase price for those assets in cash at the closing of the acquisition. As a result, we might not compete effectively against other companies in the market for acquiring patent assets, many of whom have greater cash resources than we have. In addition, any failure to satisfy our debt repayment obligations may result in adverse consequences to our operating results.

Any failure to maintain or protect our patent assets or other intellectual property rights could significantly impair our return on investment from such assets and harm our brand, our business and our operating results.

Our ability to operate our business and compete in the intellectual property market largely depends on the superiority, uniqueness and value of our acquired patent assets and other intellectual property. To protect our proprietary rights, we rely on and will rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements with our employees and third parties, and protective contractual provisions. No assurances can be given that any of the measures we undertake to protect and maintain our assets will have any measure of success.

Following the acquisition of patent assets, we will likely be required to spend significant time and resources to maintain the effectiveness of those assets by paying maintenance fees and making filings with the United States Patent and Trademark Office. We may acquire patent assets, including patent applications, which require us to spend resources to prosecute the applications with the United States Patent and Trademark Office. Further, there is a material risk that patent related claims (such as, for example, infringement claims (and/or claims for indemnification resulting therefrom), unenforceability claims, or invalidity claims) will be asserted or prosecuted against us, and such assertions or prosecutions could materially and adversely affect our business. Regardless of whether any such claims are valid or can be successfully asserted, defending such claims could cause us to incur significant costs and could divert resources away from our other activities.

Despite our efforts to protect our intellectual property rights, any of the following or similar occurrences may reduce the value of our intellectual property:

- our applications for patents, trademarks and copyrights may not be granted and, if granted, may be challenged or invalidated;
- issued trademarks, copyrights, or patents may not provide us with any competitive advantages when compared to potentially infringing other properties;
- our efforts to protect our intellectual property rights may not be effective in preventing misappropriation of our technology; or
- our efforts may not prevent the development and design by others of products or technologies similar to or competitive with, or superior to those we acquire and/or prosecute.

Moreover, we may not be able to effectively protect our intellectual property rights in certain foreign countries where we may do business in the future or from which competitors may operate. If we fail to maintain, defend or prosecute our patent assets properly, the value of those assets would be reduced or eliminated, and our business would be harmed.

Weak global economic conditions may cause infringing parties to delay entering into licensing agreements, which could prolong our litigation and adversely affect our financial condition and operating results.

Our business plan depends significantly on worldwide economic conditions, and the United States and world economies have recently experienced weak economic conditions. Uncertainty about global economic conditions poses a risk as businesses may postpone spending in response to tighter credit, negative financial news and declines in income or asset values. This response could have a material negative effect on the willingness of parties infringing on our assets to enter into licensing or other revenue generating agreements voluntarily. Entering into such agreements is critical to our business plan, and our failure to do so could cause material harm to our business.

We are a development stage company with no historically significant income and there is a significant doubt about our ability to continue our activities as a going concern.

We are still a development stage company. Our operations are subject to all of the risks inherent in development stage companies that do not have significant revenues or operating income. Our potential for success must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with a new business. We cannot provide any assurance that our business objectives will be accomplished. All of our audited consolidated financial statements, since inception, have contained a statement by our management that raises significant doubt about us being able to continue as a going concern unless we are able to raise additional capital. Our consolidated financial statements do not include any adjustment relating to the recovery and classification of recorded asset amounts or the amount and classification of liabilities that might be necessary should our operations cease.

If we are unable to adequately protect our intellectual property, we may not be able to compete effectively.

Our ability to compete depends in part upon the strength of our proprietary rights that we own or may hereafter acquire in our technologies, brands and content. We rely on a combination of U.S. and foreign patents, copyrights, trademark, trade secret laws and license agreements to establish and protect our intellectual property and proprietary

rights. The efforts we take to protect our intellectual property and proprietary rights may not be sufficient or effective at stopping unauthorized use of our intellectual property and proprietary rights. In addition, effective trademark, patent, copyright and trade secret protection may not be available or cost-effective in every country in which our services are made available. There may be instances where we are not able to fully protect or utilize our intellectual property in a manner that maximizes competitive advantage. If we are unable to protect our intellectual property and proprietary rights from unauthorized use, the value of our products may be reduced, which could negatively impact our business. Our inability to obtain appropriate protections for our intellectual property may also allow competitors to enter our markets and produce or sell the same or similar products. In addition, protecting our intellectual property and other proprietary rights is expensive and diverts critical managerial resources. If any of the foregoing were to occur, or if we are otherwise unable to protect our intellectual property and proprietary rights, our business and financial results could be adversely affected.

If we are forced to resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome and expensive. In addition, our proprietary rights could be at risk if we are unsuccessful in, or cannot afford to pursue, those proceedings. We also rely on trade secrets and contract law to protect some of our proprietary technology. We will enter into confidentiality and invention agreements with our employees and consultants. Nevertheless, these agreements may not be honored and they may not effectively protect our right to our un-patented trade secrets and know-how. Moreover, others may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets and know-how.

Risks Relating to Our Common Stock

Our management will be able to exert significant influence over us to the detriment of minority stockholders.

Our executive officers and directors beneficially own approximately 13.72% of our outstanding common stock. These stockholders, if they act together, will be able to exert significant influence on our management and affairs and all matters requiring stockholder approval, including significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing our change in control and might affect the market price of our common stock.

Exercise of warrants will dilute your percentage of ownership.

We have issued options and warrants to purchase our common stock to our officers, directors, consultants and certain shareholders. In the future, we may grant additional stock options, warrants and convertible securities. The exercise or conversion of stock options, warrants or convertible securities will dilute the percentage ownership of our other stockholders. The dilutive effect of the exercise or conversion of these securities may adversely affect our ability to obtain additional capital. The holders of these securities may be expected to exercise or convert them when we would be able to obtain additional equity capital on terms more favorable than these securities.

We may fail to qualify for continued trading on the OTC Bulletin Board which could make it more difficult for investors to sell their shares.

Our common stock is quoted on the Over the Counter Bulletin Board (“OTCBB”). There can be no assurance that trading of our common stock on such market will be sustained. In the event that our common stock fails to qualify for continued inclusion, our common stock could thereafter only be quoted on the “pink sheets.” Under such circumstances, shareholders may find it more difficult to dispose of, or to obtain accurate quotations, for our common stock, and our common stock would become substantially less attractive to certain purchasers such as financial institutions, hedge funds and other similar investors.

Our common stock may be affected by limited trading volume and price fluctuations which could adversely impact the value of our common stock.

There has been limited trading in our common stock and there can be no assurance that an active trading market in our common stock will either develop or be maintained. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations which could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. These fluctuations may also cause short sellers to periodically enter the market in the belief that we will have poor results in the future. We cannot predict the actions of market participants and, therefore, can offer no assurances that the market for our common stock will be stable or appreciate

over time.

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Our stock price may be volatile.

The market price of our common stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond our control, including the following:

- changes in our industry;
- competitive pricing pressures;
- our ability to obtain working capital financing;
- additions or departures of key personnel;
- sales of our common stock;
- our ability to execute our business plan;
- operating results that fall below expectations;
- loss of any strategic relationship;
- regulatory developments; and
- economic and other external factors.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock.

We have never paid nor do we expect in the near future to pay dividends.

We have never paid cash dividends on our capital stock and do not anticipate paying any cash dividends on our common stock for the foreseeable future. Investors should not rely on an investment in us if they require income generated from dividends paid on our capital stock. Any income derived from our common stock would only come from rise in the market price of our common stock, which is uncertain and unpredictable.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our stockholders sell substantial amounts of our common stock in the public market upon the expiration of any statutory holding period, under Rule 144, or issued upon the exercise of outstanding warrants, it could create a circumstance commonly referred to as an "overhang" and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate. The shares of our restricted common stock will be freely tradable upon the earlier of: (i) effectiveness of a registration statement covering such shares and (ii) the date on which such shares may be sold without registration pursuant to Rule 144 (or other applicable exemption) under the Securities Act.

Because we became public by means of a reverse merger, we may not be able to attract the attention of major brokerage firms.

There may be risks associated with us becoming public through a "reverse merger." Securities analysts of major brokerage firms may not provide coverage of us since there is no incentive to brokerage firms to recommend the purchase of our common stock. No assurance can be given that brokerage firms will, in the future, want to conduct any secondary offerings on our behalf.

Investor relations activities, nominal “float” and supply and demand factors may affect the price of our stock.

We expect to utilize various techniques such as non-deal road shows and investor relations campaigns in order to create investor awareness for us. These campaigns may include personal, video and telephone conferences with investors and prospective investors in which our business practices are described. We may provide compensation to investor relations firms and pay for newsletters, websites, mailings and email campaigns that are produced by third-parties based upon publicly-available information concerning us. We do not intend to review or approve the content of such analysts’ reports or other materials based upon analysts’ own research or methods. Investor relations firms should generally disclose when they are compensated for their efforts, but whether such disclosure is made or complete is not under our control. In addition, investors in us may, from time to time, also take steps to encourage investor awareness through similar activities that may be undertaken at the expense of the investors. Investor awareness activities may also be suspended or discontinued which may impact the trading market our common stock.

The SEC and FINRA enforce various statutes and regulations intended to prevent manipulative or deceptive devices in connection with the purchase or sale of any security and carefully scrutinize trading patterns and company news and other communications for false or misleading information, particularly in cases where the hallmarks of “pump and dump” activities may exist, such as rapid share price increases or decreases. We, and our shareholders may be subjected to enhanced regulatory scrutiny due to the small number of holders who initially will own the registered shares of our common stock publicly available for resale, and the limited trading markets in which such shares may be offered or sold which have often been associated with improper activities concerning penny-stocks, such as the OTC Bulletin Board or the OTCQB Marketplace (Pink OTC) or pink sheets. Until such time as our restricted shares are registered or available for resale under Rule 144, there will continue to be a small percentage of shares held by a small number of investors, many of whom acquired such shares in privately negotiated purchase and sale transactions, which will constitute the entire available trading market. The Supreme Court has stated that manipulative action is a term of art connoting intentional or willful conduct designed to deceive or defraud investors by controlling or artificially affecting the price of securities. Often times, manipulation is associated by regulators with forces that upset the supply and demand factors that would normally determine trading prices. Since a small percentage of our outstanding common stock will initially be available for trading, held by a small number of individuals or entities, the supply of our common stock for sale will be extremely limited for an indeterminate amount of time, which could result in higher bids, asks or sales prices than would otherwise exist. Securities regulators have often cited factors such as thinly-traded markets, small numbers of holders, and awareness campaigns as hallmarks of claims of price manipulation and other violations of law when combined with manipulative trading, such as wash sales, matched orders or other manipulative trading timed to coincide with false or touting press releases. There can be no assurance that our or third-parties’ activities, or the small number of potential sellers or small percentage of stock in the “float,” or determinations by purchasers or holders as to when or under what circumstances or at what prices they may be willing to buy or sell stock will not artificially impact (or would be claimed by regulators to have affected) the normal supply and demand factors that determine the price of the stock.

Our common stock is subject to the “penny stock” rules of the SEC , which makes transactions in our stock cumbersome and may reduce the value of an investment in our stock.

Our common stock is considered a “Penny Stock”. The Securities and Exchange Commission has adopted Rule 15c-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules; the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of

our common stock. The Financial Industry Regulatory Authority, or FINRA, has adopted sales practice requirements which may also limit a stockholder's ability to buy and sell our stock. In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit investors' ability to buy and sell our stock and have an adverse effect on the market for our shares.

If we lose key personnel or are unable to attract and retain additional qualified personnel we may not be able to successfully manage our business and achieve our objectives.

We believe our future success will depend upon our ability to retain our key management, including Doug Croxall, our Chief Executive Officer. We may not be successful in attracting, assimilating and retaining our employees in the future. The loss of Mr. Croxall may have an adverse effect on our operations. We have entered into a two-year employment agreement with Mr. Croxall. We are competing for employees against companies that are more established than we are and have the ability to pay more cash compensation than we do. As of the date hereof, we have not experienced problems hiring employees in the recent past.

If we fail to establish and maintain an effective system of internal control, we may not be able to report our financial results accurately and timely or to prevent fraud. Any inability to report and file our financial results accurately and timely could harm our reputation and adversely impact the trading price of our common stock.

Effective internal control is necessary for us to provide reliable financial reports and prevent fraud. If we cannot provide reliable financial reports or prevent fraud, we may not be able to manage our business as effectively as we would if an effective control environment existed, and our business and reputation with investors may be harmed. As a result, our small size and any future internal control deficiencies may adversely affect our financial condition, results of operation and access to capital. We have not performed an in-depth analysis to determine if historical un-discovered failures of internal controls exist, and may in the future discover areas of our internal control that need improvement.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Such statements include statements regarding our expectations, hopes, beliefs or intentions regarding the future, including but not limited to statements regarding our market, strategy, competition, development plans (including acquisitions and expansion), financing, revenues, operations, and compliance with applicable laws. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from such forward-looking statements include the risks described in greater detail in the following paragraphs. All forward-looking statements in this document are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement. Market data used throughout this prospectus is based on published third party reports or the good faith estimates of management, which estimates are based upon their review of internal surveys, independent industry publications and other publicly available information.

You should review carefully the section entitled “Risk Factors” beginning on page 6 of this prospectus for a discussion of these and other risks that relate to our business and investing in shares of our common stock.

USE OF PROCEEDS

The selling stockholders will receive all of the proceeds from the sale of the shares offered by them under this prospectus. We will not receive any proceeds from the sale of the shares by the selling stockholders covered by this prospectus.

MARKET FOR OUR COMMON STOCK AND RELATED STOCKHOLDER MATTERS

Market Information

Our common stock is currently quoted on the OTC Bulletin Board under the symbol “MARA”. Prior to that, our common stock was quoted on the OTC Bulletin Board under the symbol “AMSC”. Because we are quoted on the OTC Bulletin Board, our securities may be less liquid, receive less coverage by security analysts and news media, and generate lower prices than might otherwise be obtained if they were listed on a national securities exchange.

The following table sets forth the high and low bid quotations for our common stock as reported on the OTC Bulletin Board for the periods indicated.

	High	Low
Fiscal 2013	\$	\$
First Quarter	0.85	0.26
Second Quarter	0.50	0.30
Third Quarter (through July 16, 2013)	0.41	0.32
Fiscal 2012	\$	\$
First Quarter	-	-
Second Quarter	1.15	0.50
Third Quarter	1.01	0.29
Fourth Quarter	1.00	0.51
Fiscal 2011	\$	\$
First Quarter	-	-
Second Quarter	-	-
Third Quarter	-	-
Fourth Quarter	-	-

Holdings.

As of July 16 , 2013, there are 92 record holders of 65,858,810 shares of our common stock.

Dividends.

We have not paid any cash dividends to date and do not anticipate or contemplate paying dividends in the foreseeable future. It is the present intention of management to utilize all available funds for the development of our business.

Securities Authorized for Issuance under Equity Compensation Plans

2012 Equity Incentive Plan

The following table gives information about the Company's common stock that may be issued upon the exercise of options granted to employees, directors and consultants under its 2012 Equity Incentive Plan as of December 31, 2012. On August 1, 2012, our board of directors and stockholders adopted the 2012 Equity Incentive Plan, pursuant to which 10,000,000 shares of our common stock are reserved for issuance as awards to employees, directors, consultants, advisors and other service providers.

Equity Compensation Plan Information

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	2,000,000	\$ 0.50	8,000,000
Equity compensation plans not approved by security holders	0	\$ 0	0
Total	2,000,000	\$ 0.50	8,000,000

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATION

Overview

We were incorporated in the State of Nevada on February 23, 2010 under the name "Verve Ventures, Inc." On December 7, 2011, we changed our name to "American Strategic Minerals Corporation" and were primarily engaged in exploration and potential development of uranium and vanadium minerals business. During June 2012, we decided to discontinue our uranium and vanadium minerals business and engaged in the business of acquiring, renovating, and selling real estate properties located within the areas of Southern California. On November 14, 2012, we completed a share exchange and acquired all the intellectual property rights of Sampo. On November 14, 2012, we decided to discontinue our real estate business.

We are an intellectual property company that serves patent owners ranging from individual inventors to Fortune 500 corporations. Our IP services team devises strategies that allow our clients to maximize the value of their IP assets. In addition to generating revenues through IP consulting engagements, we partner with inventors and patent owners to monetize patent portfolios through IP licensing campaigns. Our objective is to provide a focused and comprehensive set of IP services that range from analysis of existing IP assets, idea creation, development, prosecution, commercialization, licensing and enforcement. We provide our clients proprietary analytics, IP valuation methods, partnering opportunities, infringement tracking, patent analysis, strategies, tactics, enforcement and reporting among others.

Our principal office is located at 2331 Mill Road, Suite 100, Alexandria, VA 22314. Our telephone number is (703) 232-1701.

Recent Developments

On April 22, 2013, CyberFone Acquisition Corp., a Texas corporation and our newly formed wholly owned subsidiary entered into a merger agreement (the "CyberFone Agreement") with CyberFone Systems, TechDev Holdings LLC ("TechDev") and The Spangenberg Family Foundation for the Benefit of Children's Healthcare and Education ("Spangenberg Foundation"). TechDev and Spangenberg Foundation owned 100% of the membership interests of CyberFone Systems (collectively, the "CyberFone Sellers").

CyberFone Systems owns a foundational patent portfolio that includes claims that provide specific transactional data processing, telecommunications, network and database inventions, including financial transactions. The portfolio, which has a large and established licensing base, consists of ten United States patents and 27 foreign patents and one patent pending. The patent rights that cover digital communications and data transaction processing are foundational to certain applications in the wireless, telecommunications, financial and other industries. IP Navigation Group LLC ("IP Nav"), a company founded by Erich Spangenberg and associated with the Cyberfone Sellers will continue to support and manage the portfolio of patents and retain a contingent participation interest in all recoveries. IP Nav provides patent monetization and support services under an existing agreement with CyberFone Systems.

Pursuant to the terms of the CyberFone Agreement, CyberFone Systems merged with and into CyberFone Acquisition Corp. with CyberFone Systems surviving the merger as our wholly owned subsidiary. We (i) issued 6,000,000 shares of common stock to the CyberFone Sellers, (ii) paid the CyberFone Sellers \$500,000 cash and (iii) issued a \$500,000 promissory note to TechDev. The note is non-interest bearing and becomes due June 22, 2013, subject to acceleration in the event of default. We may prepay the note at any time without premium or penalty. On June 21, 2013, we paid \$500,000 to TechDev in satisfaction of the note.

On May 1, 2013, TQP Acquisition Corp., a Texas corporation and our newly formed wholly owned subsidiary entered into a merger agreement (the “TQP Agreement”) with TQP Development LLC, a Texas limited liability company (“TQP Development”), Granicus IP LLC (“Granicus”) and Spangenberg Foundation. Granicus and Spangenberg Foundation own 100% of the membership interests of TQP Development (collectively, the “TQP Sellers”). The closing of the transactions contemplated under the TQP Agreement (the “Closing”) is subject to customary closing conditions as well as the closing of a public or private offering of our securities in which we receive gross proceeds of at least \$8 million (the “Trigger Financing”). If we do not consummate the Trigger Financing within 45 days, subject to any mutually agreed upon extension of such time, the TQP Agreement will terminate and be of no further force and effect. Pursuant to the terms of the TQP Agreement, at Closing, TQP Development will merge with and into TQP Acquisition Corp and TQP Development will survive the merger as our wholly owned subsidiary. At Closing, we will issue 7,000,000 shares of common stock to the TQP Sellers and pay the TQP Sellers \$6,000,000 cash. In addition to the payments described above, within 30 days following the end of each calendar quarter (commencing with the first full calendar quarter following the calendar quarter in which TQP Development recovers \$20 million from licensing or enforcement activities related to the patents), TQP Development will be required to pay out a percentage of such recoveries. As of the date of this prospectus, we have not consummated the Trigger Financing.

On May 31, 2013, we sold 13,000,000 units for an aggregate purchase price of \$5,200,000 to certain accredited investors pursuant to a securities purchase agreement. Each unit was sold for a purchase price of \$0.40 per unit and consists of: (i) one share of our common stock, and (ii) a three (3) year warrant to purchase one half share of our common stock at an exercise price of \$0.50 per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. We paid placement agent fees of \$170,000 to two broker-dealers in connection with the sale of the units of which \$30,000 was previously paid by us as a retainer.

On May 31, 2013, shareholders holding a majority of our outstanding voting capital approved a reverse stock split of our issued and outstanding common stock by a ratio of not less than one-for-five and not more than one-for-fifteen at any time prior to April 30, 2014, with the exact ratio to be set at a whole number within this range as determined by our Board of Directors in its sole discretion. Per share numbers contained in this Prospectus do not reflect any reverse split ratio that may be adopted by our Board of Directors.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies affect the significant judgments and estimates used in the preparation of the financial statements.

Principles of Consolidation

The condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America and present the financial statements of the Company and our wholly-owned subsidiary. In the preparation of our consolidated financial statements, intercompany transactions and balances are

eliminated.

Development Stage Companies

We are a development stage company. Activities during the development stage include organizing the business, raising capital and acquiring real estate properties. We are a development stage company with no revenues and no profits. We have not commenced significant operations and, in accordance with ASC Topic 915 “Development Stage Entities”, is considered a development stage company.

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Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate fair value of warrants granted, common stock issued for services, common stock issued in connection with an option agreement, common stock issued for acquisition of patents, and the valuation of mineral rights.

Fair Value of Financial Instruments

We adopted Financial Accounting Standards Board (“FASB”) ASC 820, “Fair Value Measurements and Disclosures”, for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements which establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity’s own assumptions.

In addition, FASB ASC 825-10-25 “Fair Value Option” was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value.

Stock-based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

Long-Lived Assets

We review for impairment whenever events or circumstances indicate that the carrying amount of assets may not be recoverable, pursuant to guidance established in ASC 360-10-35-15, "Impairment or Disposal of Long-Lived Assets". We recognize an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value.

Recent Accounting Pronouncements

Other accounting standards that have been issued or proposed by the FASB that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption.

Results of Operations

Our business began on April 30, 2011 and accordingly, we had minimal operations for the prior period. We are still in our development stage, and have generated no revenues to date.

For the Three Months Ended March 31, 2013 and 2012

We incurred operating expenses of \$714,377 and \$3,057,574 for the three months ended March 31, 2013 and 2012, respectively, a decrease of \$2,343,197 or 77%. These expenses primarily consisted of general expenses, compensation, professional fees and consulting incurred in connection with the day-to-day operation of our business. The operating expenses consisted of the following:

	For the Three Months Ended March 31, 2013	For the Three Months Ended March 31, 2012
Travel and related expenses	\$ 28,317	\$ 63,979
Professional fees	158,472	262,739
Compensation and related taxes	426,675	840,943
Consulting fees	45,224	1,829,423
Other general and administrative	55,689	60,490
Total	\$ 714,377	\$ 3,057,574

- Travel and related expenses: Travel expenses were \$28,317 and \$63,979 during the three months ended March 31, 2013 and 2012, respectively, a decrease of \$35,662 or 56%. This decrease is due to a decrease in conference campaign and business development related travel.
- Compensation expense and related taxes: Compensation expense includes salaries and stock-based compensation to our employees. For the three months ended March 31, 2013 and 2012, compensation expense and related payroll taxes were \$426,675 and \$840,943, respectively, a decrease of \$414,268 or 49%, which is primarily attributable to a decrease in stock based compensation of approximately \$574,000 in connection with warrant and option grants to our directors and officers offset by an increase in salaries due to hiring our executive and management employees and support staff during the first quarter of 2013.
- Consulting fees: For the three months ended March 31, 2013 and 2012, we incurred consulting fees of \$45,224, and \$1,829,423, respectively, a decrease of \$1,784,199 or 98%, which is primarily attributable to a decrease in stock based consulting expense of approximately \$1.7 million in connection with warrant grants to consultants for consulting on strategic acquisitions and advice on capital restructuring during the three months ended March 31, 2012.

- Professional fees: For the three months ended March 31, 2013 and 2012, professional fees were \$158,472 and \$262,739, respectively, a decrease of \$104,267 or 40%, which includes fees incurred for audits and legal fees related to public company filing requirements. The decrease is primarily due to a decrease in legal fees.
- Other general and administrative expenses: For the three months ended March 31, 2013 and 2012, other general and administrative expenses were \$55,689 and \$64,490, respectively, a decrease of \$8,801 or 15%, which includes postage, general insurance, automobile, office supplies, utilities, rent expense and office expenses.

Operating Loss from Continuing Operations

We reported an operating loss from continuing operations of \$714,377 and \$3,057,574 for the three months ended March 31, 2013 and 2012, respectively, a decrease of \$2,343,197 or 77%. The decrease in operating loss was due to the decrease in operating expenses described above.

Other Income

Total other income was \$61 and \$125,000 for the three months ended March 31, 2013 and 2012, respectively, a decrease of \$124,939 or 100%. On March 19, 2012, we entered into an agreement with California Gold, pursuant to which we agreed to provide California Gold with a geological review on or prior to March 30, 2012, of our certain uranium properties in consideration for \$125,000. We do not have a comparable other income during the three months ended March 31, 2013.

Discontinued Operations

During June 2012, we decided to discontinue our exploration and potential development of uranium and vanadium minerals business and prior periods have been restated in our consolidated financial statements and related footnotes to conform to this presentation. Subsequently, in November 2012, we decided to discontinue our real estate business and we disposed of our remaining real estate holdings during the second fiscal quarter of 2013. We are now engage in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of our own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights.

The following table indicates selected financial data of the Company's discontinued operations of its uranium and vanadium minerals business and real estate business.

	For the Three Months Ended March 31, 2013	For the Three Months Ended March 31, 2012
Revenues – real estate	\$ 986,951	\$ -
Cost of sales- real estate	(817,483)	-
Gross profit	169,468	-
Operating and other non-operating expenses	(60,688)	(27,305)
Gain (loss) from discontinued operations	\$ 108,780	\$ (27,305)

Net loss

We reported a net loss of \$605,536 or \$(0.02) per common shares - basic and diluted and \$2,959,879 million or \$(0.9) per common share - basic and diluted, respectively, for the three months ended March 31, 2013 and 2012, respectively, a decrease of approximately \$2.4 million or 80%.

For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011

We incurred operating expenses of \$5,540,962 and \$9,848 for the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of \$5,531,114 or 56,165%. These expenses primarily consisted of general expenses, compensation, professional fees and consulting incurred in connection with the day-to-day operation of our business. The operating expenses consisted of the following:

	For the Year ended December 31, 2012	Period from April 30, 2011 (inception) to December 31, 2011
Travel and related expenses	\$ 112,760	\$ -
Professional fees	510,112	4,605
Compensation and related taxes	2,676,462	-
Consulting fees	2,042,144	-
Other general and administrative	199,484	5,243
Total	\$ 5,540,962	\$ 9,848

- Travel and related expenses: Travel expenses were \$112,760 and \$0 during the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of \$112,760 or 100%. These expenses are in connection with conference campaign and business development related travel.
- Compensation expense and related taxes: Compensation expense includes salaries and stock-based compensation to our employees. For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, compensation expense and related payroll taxes were \$2,676,462 and \$0, respectively, an increase of \$2,676,462 or 100%, which is primarily attributable to stock based compensation of approximately \$2.4 million in connection with warrant and option grants to our directors and officers during the year ended December 31, 2012.
- Consulting fees: For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, we incurred consulting fees of \$2,042,144, and \$0, respectively, an increase of \$2,042,144 or 100%, which is primarily attributable to stock based consulting expense of approximately \$1.8 million in connection with warrant grants to consultants for consulting on strategic acquisitions and advice on capital restructuring during the year ended December 31, 2012.
- Professional fees: For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, professional fees were \$510,112 and \$4,605, respectively, an increase of \$505,507 or 10,977%, which includes fees incurred for audits and legal fees related to public company filing requirements.

- Other general and administrative expenses: For the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, other general and administrative expenses were \$199,484 and \$5,243, respectively, an increase of \$194,241 or 3,705%, which includes postage, general insurance, automobile, office supplies, utilities, rent expense and office expenses.

Operating Loss from Continuing Operations

We reported an operating loss from continuing operations of \$5,540,962 and \$9,848 for the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of \$5,531,114 or 56,165%. The increase in operating loss was due to the increase in operating expenses described above.

Other Income

Total other income was \$13,325 and \$0 for the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of \$13,325 or 100%. On March 19, 2012, we entered into an agreement with California Gold, pursuant to which we agreed to provide California Gold with a geological review on or prior to March 30, 2012, of our certain uranium properties in consideration for \$125,000. During the year ended December 31, 2012, the Company has recorded a realized loss on other than temporary decline of \$112,500 in connection with our marketable securities – available for sale.

Discontinued Operations

During June 2012, we decided to discontinue our exploration and potential development of uranium and vanadium minerals business and prior periods have been restated in our consolidated financial statements and related footnotes to conform to this presentation. Subsequently, in November 2012, we decided to discontinue our real estate business and we disposed of our remaining real estate holdings during the second fiscal quarter of 2013. We are now engage in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of our own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights.

The following table indicates selected financial data of our discontinued operations of our uranium and vanadium minerals business and real estate business.

	For the Year Ended December 31, 2012	Period from inception (April 30, 2011) to December 31, 2011
Revenues – real estate	\$ 724,090	\$-
Cost of sales- real estate	(576,126)	-
Gross profit	147,964	-
Operating and other non-operating expenses	(1,558,635)	(99,474)
Loss from discontinued operations	\$ (1,410,671)	\$(99,474)

Net loss

We reported a net loss of \$6,938,308 million or \$(0.19) per common shares - basic and diluted and \$109,322 or \$(0.01) per common share - basic and diluted, respectively, for the year ended December 31, 2012 and for the period from April 30, 2011 (inception) to December 31, 2011, respectively, an increase of approximately \$6.8 million or 6,247%.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. At March 31, 2013, we had a cash balance of \$2,916,476 m and working capital of \$2,822,954. During the three months ended March 31, 2013, we have been funding our operations through the sale of our remaining real estate properties included in our discontinued operations.

We may be required to raise additional funds, particularly if we are unable to generate positive cash flow as a result of our operations. We estimate that based on current plans and assumptions, that our available cash is sufficient to satisfy our cash requirements under our present operating expectations for up to 12 months. We presently have no other alternative source of working capital. We may not have sufficient working capital to fund the expansion of our operations and to provide working capital necessary for our ongoing operations and obligations after 12 months. We have not generated revenues to support our current daily operations from the inception of development stage. We may need to raise significant additional capital to fund our future operating expenses, pay our obligations, and grow our Company. We do not anticipate that we will generate significant revenues in 2013. Therefore our future operations will be dependent on our ability to secure additional financing. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. The trading price of our common stock could make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. The inability to obtain additional capital may restrict our ability to grow and may reduce our ability to continue to conduct business operations. If we are unable to obtain additional financing, we will likely be required to curtail our development plans and possibly cease our operations.

Operating Activities

We have not generated positive cash flows from operating activities. For the three months ended March 31, 2013, net cash flows used in operating activities was \$233,175 and was primarily attributable to our net loss of \$605,536, adjusted for non-cash items such as stock based compensation of \$220,108, amortization and depreciation expense of \$17,825 and total changes in assets and liabilities of \$134,428 primarily attributable to a decrease in prepaid expenses of \$9,667, decrease in assets of discontinued operations of \$28,750, and increase in accounts payable and accrued expenses of \$96,011.

For the three months ended March 31, 2012, net cash flows used in operating activities was (\$483,899) and was primarily attributable to our net loss of \$2,959,879, offset by stock based compensation of \$2,611,075, and add back non cash other income of \$125,000, and total changes in assets and liabilities of \$10,095 due to an increase in prepaid expenses of \$88,855, decrease in deposits of \$3,500 and increase in accounts payable and accrued expenses of \$75,260.

Investing Activities

Net cash flows provided by investing activities were \$795,482 in connection with the sale of real estate property of \$817,482 offset by capitalized cost related to improvements of real estate property of \$12,000 and purchase of property and equipment of \$10,000 during the three months ended March 31, 2013.

Net cash flows used in investing activities were \$325,000 in connection with acquisition of mineral rights during the three months ended March 31, 2012.

Financing Activities

Net cash flows provided by financing activities were \$0 and \$4,685,991 for the three months ended March 31, 2013 and 2012 respectively. We received net proceeds from the sale of our stocks of \$5,768,965 offset by payment on notes payable of \$1,082,974.

Contractual Obligations

We have certain fixed contractual obligations and commitments that include future estimated payments. Changes in our business needs, cancellation provisions, changing interest rates, and other factors may result in actual payments differing from the estimates. We cannot provide certainty regarding the timing and amounts of payments. We have presented below a summary of the most significant assumptions used in our determination of amounts presented in the tables, in order to assist in the review of this information within the context of our consolidated financial position, results of operation, and cash flows.

The following table summarizes our contractual obligations as of March 31, 2013, and the effect these obligations are expected to have on our liquidity and cash flows in future periods:

	Total	Payments Due By Period			
		Less than 1 year	1-3 Years	4-5 Years	6- 10 Years
Contractual Obligations:					
Uranium lease agreements	838,720	73,200	276,690	190,580	298,250
Royalty agreement – minimum payments	770,000	70,000	262,500	175,000	262,500
Total Contractual Obligations	\$ 1,608,720	\$ 143,200	\$ 539,190	\$ 365,580	\$ 560,750

Off-balance Sheet Arrangements

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as stockholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity.

BUSINESS

We are an intellectual property (“IP”) company that serves patent owners ranging from individual inventors to Fortune 500 corporations. We provide our clients with IP-related services that help patent holders realize the monetary and strategic value of their inventions. We serve our clients through two complementary business units. Our IP Services business devises strategies and provides services that allow our clients to maximize the value of their IP assets. Our IP Licensing and Enforcement business, in partnership with our clients, acquires or exclusively licenses high-value IP assets and monetizes these patent portfolios through actively-managed IP licensing campaigns. We believe that our two complementary business lines enable us to provide our clients with comprehensive and customized IP solutions that may include any combination of services ranging from evaluation and analysis of a client’s patent holdings through strategic prosecution of open applications, commercialization of inventions through reduction to practice, and/or enforcement of patent portfolios through licensing campaigns.

Currently, we own a patent portfolio consisting of 54 U.S. and foreign patents and 2 open applications.

We were incorporated in the State of Nevada on February 23, 2010 under the name “Verve Ventures, Inc.” On December 7, 2011, we changed our name to “American Strategic Minerals Corporation” and were primarily engaged in exploration and potential development of uranium and vanadium minerals business. During June 2012, we decided to discontinue our uranium and vanadium minerals business and engaged in the business of acquiring, renovating, and selling real estate properties located within the areas of Southern California. On November 14, 2012, we acquired all the intellectual property rights of Sampo. On November 14, 2012, we decided to discontinue our real estate business. Our principal office is located at 2331 Mill Road, Suite 100, Alexandria, VA 22314. Our telephone number is (703) 232-1701.

Industry Overview And Market Opportunity

Under U.S. law an inventor or patent owner has the right to exclude others from making, selling or using their patented invention. Unfortunately, in the majority of cases, infringers are generally unwilling, at least initially, to negotiate or pay reasonable royalties for their unauthorized use of third-party patents and will typically fight any allegations of patent infringement. Inventors and/or patent holders, without sufficient legal, financial and/or expert technical resources to bring and continue the pursuit of legal action, may lack credibility in dealing with potential licensees and as a result, are often ignored. As a result of the common reluctance of patent infringers to negotiate and ultimately take a patent license for the use of third-party patented technologies, patent licensing and enforcement often begins with the filing of patent enforcement litigation. However, the majority of patent infringement contentions settle out of court based on the strength of the patent claims, validity, and persuasive evidence and clarity that the patent is being infringed.

We believe that this combination of factors creates a compelling market opportunity for our portfolio of IP services and monetization capabilities. Due to the relative infancy of the IP monetization industry, we believe that the absolute size of our market opportunity is very significant but difficult to quantify.

Business Model And Competitive Strengths

Our IP Services business provides strategic advisory, data and consulting services to clients. We leverage our patent pending software, best-in-class 3rd party data sources, highly experienced personnel, extensive network of subject matter experts and rigorous financial analysis to deliver comprehensive IP solutions capable of covering a wide variety of IP ownership scenarios within our target vertical markets. We tailor our services to the specific needs of each client. In addition, our IP Services engagements represent attractive IP sourcing opportunities for our IP Licensing and Enforcement business.

Our IP Licensing and Enforcement business deploys capital to acquire patent portfolios from clients and/or partners and then manages the monetization campaigns related to the acquired IP. We believe that the following competitive strengths and key elements of our operating strategy will enable us to grow our revenue and earnings:

- Our experienced management team. Our leadership team is comprised of senior executives with significant experience in inventing, patenting and monetizing IP across multiple industries. Collectively, our management team is cited as named inventors on ten (10) U.S patents as well as eighty (80) patent pending applications and has served in key management and ownership roles in the execution of patent licensing campaigns.
- Our complimentary business lines. We believe that the combination of our two business lines creates significant synergies and operating leverage for our business as a whole. For example, our IP Services business may provide sophisticated IP evaluation and analytical capabilities to our IP Licensing and Enforcement business for evaluating IP acquisitions or executing IP licensing campaigns yet the fixed costs of those capabilities may be covered by IP Services consulting engagements. In addition, IP Services engagements may represent attractive IP sourcing opportunities for our IP Licensing and Enforcement business.
- Our diversification strategy. We believe that our business model is designed to avoid reliance on large binary events or single-revenue producing licensing agreements, settlements or jury awards that are often characteristic of other market participants' patent enforcement strategies. We believe that our revenue generating IP Services business and our strategy to manage and license multiple patent portfolios of varying size and characteristics will serve to provide greater visibility and predictability of our operating results which will allow us to more efficiently manage and deploy our internal resources.
- Our ability to source attractive patent portfolios. We believe that our ability to identify and acquire potential revenue generating patent portfolios is a key competitive advantage. In addition to the IP sourcing efforts of our IP Licensing and Enforcement business, we have the ability to source additional IP through two other channels as well.

- o IP Services Business. Our IP Service offering allows us to meet with many clients that would otherwise be unavailable as clients. Many of those clients have strong feelings about “patent enforcement” and, through the evolving relationship and work experience with our IP Services team, we believe that position may change over time allowing for a seamless handoff to our Licensing and Enforcement business to engage in a licensing strategy.
- o Relationship with IP Nav. Founded in 2003 by Erich Spangenberg, IP Nav is an industry-leading patent monetization company that has completed more than 600 licensing transactions and generated more than \$600 million in patent licenses, settlements and awards to date. On February 20, 2013 we announced a strategic relationship with IP Nav under which IP Nav will source selected patent portfolios and execute licensing campaigns on our behalf. IPNav founded the patent portfolio currently owned by our wholly owned subsidiary, Relay IP, Inc. Additionally, IPNav continues to support and retain a contingent participation interest in all recoveries from the patent portfolio we acquired in connection with our acquisition of CyberFone Systems (as further discussed in Management’s Discussion and Analysis - Recent Developments above).

- Our sophisticated, highly-selective IP evaluation and acquisition process. Subtleties in the language of a patent, recorded interactions with the patent office, and the evaluation of prior art and literature can make a significant difference in the potential licensing revenue derived from a patent or patent portfolio. We, in conjunction with our network of outsourced vendors and partners, including patent attorneys, litigators, and IP Nav, have extensive expertise and experience evaluating patent portfolios. As part of the patent evaluation process, significant consideration is also given to the identification of potential licensees; industries within which the potential licensees exist, longevity of the patented technology, and a variety of other factors that directly impact the magnitude and potential success of a licensing campaign.

Our Products And Services

Our IP Licensing and Enforcement Business

Our Licensing and Enforcement business partners with and/or acquires IP from patent holders in order to maximize the value of their patent holdings by conducting and managing a licensing campaign. Our partners tend to have limited internal resources and/or expertise to effectively address the unauthorized use of their patented technologies or they simply make the strategic business decision to outsource their intellectual property licensing. Our partners can include individual inventors, large corporations, universities, research laboratories and hospitals. Typically, we, or an operating subsidiary acquires a patent portfolio in exchange for a combination of an upfront cash payment, a percentage of our operating subsidiary's net recoveries from the licensing and enforcement of the portfolio, or a combination of the two.

Our IP Services Business

Our IP Services business is focused on helping our clients navigate the global patent system such that it works equally well for large corporations as it does for small inventors, entrepreneurs and innovative business operations of all sizes and industries. Our clients' IP often presents a complex set of critical management decisions that can make or break a portfolio's value. Our services are designed to help our clients maximize the value of their IP portfolios through proprietary analytics, IP valuation, partnering opportunities, infringement tracking, patent analysis, IP management tactics and strategies, enforcement and reporting. We focus on developing an understanding of our client's assets and quickly identifying revenue and value creation opportunities for them.

Competition

We expect to encounter significant competition from others seeking to acquire interests in intellectual property assets and monetize such assets. This includes an increase in the number of competitors seeking to acquire the same or similar patents and technologies that we may seek to acquire. Most of our competitors have much longer operating histories, and significantly greater financial and human resources, than we do. Entities such as Vringo, Inc. (NYSE MKT: VRNG), VirnetX Holding Corp (NYSE MKT: VHC), Acacia Research Corporation (NASDAQ: ACTG), RPX Corporation (NASDAQ: RPXC), and others presently market themselves as being in the business of creating, acquiring, licensing or leveraging the value of intellectual property assets. We expect others to enter the market as the true value of intellectual property is increasingly recognized and validated. In addition, competitors may seek to acquire the same or similar patents and technologies that we may seek to acquire, making it more difficult for us to realize the value of its assets.

We also compete with venture capital firms, strategic corporate buyers and various industry leaders for technology acquisitions and licensing opportunities. Many of these competitors may have more financial and human resources than we do. As we become more successful, we may find more companies entering the market for similar technology opportunities, which may reduce our market share in one or more technology industries that we currently rely upon to generate future revenue.

Other companies may develop competing technologies that offer better or less expensive alternatives to our patented technologies that we may acquire and/or out-license. Many potential competitors may have significantly greater resources than we do. Technological advances or entirely different approaches developed by one or more of our competitors could render certain of the technologies owned or controlled by our operating subsidiaries obsolete and/or uneconomical.

Intellectual Property and Patent Rights

Our intellectual property is primarily comprised of trade secrets, patented know-how, issued and pending patents, copyrights and technological innovation.

We have a portfolio comprised of 54 U.S. and foreign patents and 2 open applications.

We have included a list of our U.S. patents below. Each patent below is publicly accessible on the Internet website of the U.S. Patent and Trademark Office at www.uspto.gov.

Type	Number	Sampo / GS Title	Issue / Publication Date	File Date	Earliest Priority Date
US Patent	6,161,149	Centrifugal Communication and collaboration method	12/12/00	03/13/98	03/13/98
US Patent	6,772,229	Centrifugal Communication and collaboration method	08/03/04	11/13/00	03/13/98
US Patent	8,015,495	Centrifugal Communication and collaboration method	09/06/11	02/28/03	03/13/98
US Patent	5,331,637	Multicast Routing Using Core Based Trees	07/19/94	07/30/93	07/30/93
US Application	2012/0158869	Centrifugal Communication and collaboration method	06/21/12	07/22/11	03/13/98

Type	Number	Cyberfone Title	Issue / Publication Date	File Date	Earliest Priority Date
US Patent	6,044,382	Data transaction assembly server	3/28/00	06/20/97	05/19/95
US Patent	5,805,676	Telephone/transaction entry device and system for entering transaction data into databases	09/08/98	05/19/95	05/19/95
US Patent	5,987,103	Telephone/transaction entry device and system for entering transaction data into databases	11/16/99	08/11/97	05/19/95
US Patent	8,019,060	Telephone/transaction entry device and system for entering transaction data into databases	09/13/11	09/04/07	05/19/95
US Patent	7,778,395	Telephone/transaction entry device and system for entering transaction data into databases	8/17/10	04/12/07	05/19/95
US Patent	7,334,024	System for transmission of voice and data over the same communications line	02/19/08	02/10/05	05/19/95

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US Patent	6,973,477	System for securely communicating amongst client computer systems	12/06/05	06/07/00	05/19/95
US Patent	6,574,314	Method for entering transaction data into data bases using transaction entry device	06/03/03	09/07/99	05/19/95
US Patent	5,427,327	Method and apparatus for capturing and positioning a cable	09/27/93	09/27/93	06/27/95
US Patent	5,414,219	Printed circuit board circuit control device	05/09/95	04/22/94	04/22/94

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Type	Number	Relay / Title	Issue / Publication Date	File Date	Earliest Priority Date
US Patent	5,331,637	Multicast routing using core based trees	07/19/94	07/30/93	07/30/93

Type	Number	Bismark /Title	Issue / Publication Date	File Date	Earliest Priority Date
US Patent	5,883,896	Arrangement for coupling optional auxiliary devices to terminal equipment of private branch exchanges			