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YP CORP
Form 10QSB
May 13, 2004

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

(Mark One)

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

For the quarterly period ended March 31, 2004

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

For the transition period from _____ to _____

Commission File Number 0-24217

YP CORP.

(Exact name of small business issuer as specified in its charter)

NEVADA 85-0206668
(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organization)

4840 EAST JASMINE ST. SUITE 105
MESA, ARIZONA 85205
(Address of principal executive offices)

(480) 654-9646
(Issuer's telephone number)

YP.NET, INC.
(Former Name)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No
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APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares of the issuer's common equity outstanding as of May 11, 2004 was 48,874,302 shares of common stock, par value \$.001.

Transitional Small Business Disclosure Format (check one):

Yes No
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FOR THE QUARTER ENDED MARCH 31, 2004

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SIGNATURES

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

YP CORP. UNAUDITED CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2004

ASSETS:

CURRENT ASSETS

| | |
|--|--------------|
| Cash and equivalents | \$ 2,242,002 |
| Accounts receivable, net of allowance for doubtful accounts of \$5,193,394 | 13,231,132 |
| Prepaid expenses and other current assets | 306,815 |
| Deferred tax asset | 1,375,329 |
| | ----- |
| Total current assets | 17,155,278 |

| | |
|--|-----------|
| ACCOUNTS RECEIVABLE, long term portion, net of allowance for doubtful accounts of \$359,203 | 1,022,348 |
|--|-----------|

| | |
|--|-----------|
| CUSTOMER ACQUISITION COSTS, net of accumulated amortization of \$2,297,854 | 3,745,788 |
|--|-----------|

| | |
|-----------------------------|---------|
| PROPERTY AND EQUIPMENT, net | 763,603 |
|-----------------------------|---------|

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| | |
|---|---------------------|
| DEPOSITS AND OTHER ASSETS | 113,310 |
| INTELLECTUAL PROPERTY- URL, net of accumulated amortization of \$2,100,460 | 3,432,638 |
| ADVANCES TO AFFILIATES | 5,003,962 |
| TOTAL ASSETS | <u>\$31,236,927</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | |
| CURRENT LIABILITIES: | |
| Accounts payable | \$ 822,474 |
| Accrued liabilities | 1,994,232 |
| Notes payable- current portion | 115,868 |
| Income taxes payable | 4,155,425 |
| Total current liabilities | <u>7,087,999</u> |
| DEFERRED INCOME TAXES | 40,518 |
| Total liabilities | <u>7,128,517</u> |
| STOCKHOLDERS' EQUITY: | |
| Series E convertible preferred stock, \$.001 par value, 200,000 shares authorized, 131,840 issued and outstanding, liquidation preference \$39,552 | 11,206 |
| Common stock, \$.001 par value, 100,000,000 shares authorized, 55,580,136 issued, 48,874,302 outstanding | 48,874 |
| Paid in capital | 9,751,126 |
| Deferred stock compensation | (4,032,024) |
| Treasury stock at cost | (690,306) |
| Retained earnings | 19,019,534 |
| Total stockholders' equity | <u>24,108,410</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | <u>\$31,236,927</u> |