

ARC WIRELESS SOLUTIONS INC
Form 10-Q
August 12, 2010

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

FORM 10 - Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____

000-18122
(Commission File Number)

ARC Wireless Solutions, Inc.
(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction of incorporation)

87-0454148
(IRS Employer Identification Number)

6330 North Washington Street, Unit 13
Denver, Colorado, 80216-1146
(Address of principal executive offices including zip code)

(303) 421-4063
(Registrant's telephone number, including area code)

Not Applicable
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

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(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ___ No X

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 “small reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer []
filer []

Accelerated filer []

Non-accelerated

Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ___ No X

As of August 1, 2010, the Registrant had 3,091,000 shares outstanding of its \$.0005 par value common stock.

ARC Wireless Solutions, Inc.

Quarterly Report on FORM 10-Q For The Period Ended

June 30, 2010

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

ARC Wireless Solutions, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	June 30, 2010 (unaudited)	December 31, 2009 *
Assets		
Current assets:		
Cash and equivalents	\$ 11,166	\$ 11,785
Accounts receivable – trade, net	363	476
Inventory, net	900	1,019
Other current assets	61	36
Total current assets	12,490	13,316
Property and equipment, net	324	358
Other assets:		
Intangible assets, net	122	122
Deposits	47	52
Total assets	\$ 12,983	\$ 13,848
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 346	\$ 504
Accrued expenses	283	518
Current portion of capital lease obligations	104	110
Total current liabilities	733	1,132
Capital lease obligations, less current portion	-	13
Total liabilities	733	1,145
Stockholders' equity:		
Preferred stock, \$.001 par value, 2,000,000 authorized, none issued and outstanding	-	-
Common stock, \$.0005 par value, 250,000,000 authorized, 3,091,000 outstanding in 2010 and 2009, respectively.	2	2
Additional paid-in capital	20,783	20,767
Accumulated deficit	(8,535)	(8,066)
Total stockholders' equity	12,250	12,703
Total liabilities and stockholders' equity	\$ 12,983	\$ 13,848

* These numbers were derived from the audited financial statements for the year ended December 31, 2009. See accompanying notes.

ARC Wireless Solutions, Inc.
 Condensed Consolidated Statements of Operations
 (Unaudited, in thousands except share and per share amounts)

	Three Months Ended June		Six Months Ended June 30,	
	2010	30, 2009	2010	2009
Sales, net	\$942	\$1,226	\$2,084	\$2,313
Cost of sales	593	707	1,438	1,357
Gross profit	349	519	646	956
Operating expenses:				
Selling, general and administrative expenses	564	531	1,136	1,273
Loss from continuing operations	(215)	(12)	(490)	(317)
Other income:				
Interest expense	(1)	(6)	(2))