

NeuroMetrix, Inc.  
Form 10-Q  
July 28, 2011

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

OR

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

For the transition period from \_\_\_\_ to \_\_\_\_

Commission File Number 001-33351

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NEUROMETRIX, INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

04-3308180  
(I.R.S. Employer Identification No.)

62 Fourth Avenue, Waltham, Massachusetts  
(Address of principal executive offices, including zip code)

02451  
(Zip Code)

(781) 890-9989  
(Registrant's telephone number, including area code)

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 (§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).

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Yes  No

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 definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

23,344,141 shares of common stock, par value \$0.0001 per share, were outstanding as of July 21, 2011.

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NeuroMetrix, Inc.  
Form 10-Q  
Quarterly Period Ended June 30, 2011

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

NeuroMetrix, Inc.  
Balance Sheets  
(Unaudited)

	June 30, 2011	December 31, 2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$13,622,445	\$16,986,809
Accounts receivable, net	1,056,932	1,592,564
Inventories	1,739,724	2,412,805
Prepaid expenses and other current assets	415,370	603,821
Current portion of deferred costs	54,332	81,194
Total current assets	16,888,803	21,677,193
Restricted cash	229,500	408,000
Fixed assets, net	625,729	731,975
Intangible assets, net	—	210,000
Deferred costs and other long-term assets	15,610	39,261
Total assets	\$17,759,642	\$23,066,429
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$174,870	\$259,155
Accrued compensation	748,893	683,049
Accrued expenses	973,438	1,227,790
Current portion of deferred revenue	312,880	468,324
Current portion of capital lease obligation	19,493	19,093
Total current liabilities	2,229,574	2,657,411
Deferred revenue, net of current portion	84,695	171,797
Capital lease obligation, net of current portion	26,840	38,249
Total liabilities	2,341,109	2,867,457
<b>Commitments and contingencies (Notes 7 and 9)</b>		
<b>Stockholders' equity:</b>		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized, none outstanding	—	—
Common stock, \$0.0001 par value; 50,000,000 shares authorized; 23,344,141 and 23,197,537 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	2,334	2,320
Additional paid-in capital	139,154,459	138,800,937
Accumulated deficit	(123,738,260)	(118,604,285)
Total stockholders' equity	15,418,533	20,198,972
Total liabilities and stockholders' equity	\$17,759,642	\$23,066,429

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

NeuroMetrix, Inc.  
 Statements of Operations  
 (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenues	\$2,571,840	\$3,852,476	\$5,476,686	\$7,418,869
Cost of revenues	1,110,073	1,405,348	2,365,648	2,701,362
Gross margin	1,461,767	2,447,128	3,111,038	4,717,507
Operating expenses:				&#16