

Revolutionary Concepts Inc  
Form 10-Q  
May 20, 2013

**U.S. SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2013

Commission File Number 000-53674

**REVOLUTIONARY CONCEPTS, INC.**

(Exact name of Registrant as specified in its charter)

**Nevada**

(State or other Jurisdiction of Incorporation or Organization)

**27-0094868**

(I.R.S. Employer Identification No.)

13850 Ballantyne Corporate Pl

Charlotte, NC 28277

(Address of principal executive offices)

(Zip Code)

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

980-225-5376

(Telephone number, including area code)

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 last 90 days. YES [X] 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). 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," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 or the Exchange Act). YES [ ] NO [x]

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

<u>Class</u>	<u>Outstanding at May 17, 2012</u>
Common stock, \$0.001 par value	380,079,460

(1)

Table of Contents

**REVOLUTIONARY CONCEPTS, INC.**

**INDEX TO FORM 10-Q FILING**

**FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012**

**TABLE OF CONTENTS**

	<b>PAGE #</b>
<b>PART I</b>	
Item 1. Financial Statements	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3. Quantitative and Qualitative Disclosures About Market Risk	18
Item 4. Controls and Procedures	18
<b>PART II</b>	
Item 1. Legal Proceedings	19
Item 1A. Risk Factors	19
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	20
Item 3. Defaults Upon Senior Securities	20
Item 4. Mine Safety Disclosures	20
Item 5. Other Information	20
Item 6. Exhibits	21
SIGNATURES	22

**CERTIFICATIONS**

Exhibit 3.1 – Management Certification.....	21
Exhibit 3.2 – Sarbanes-Oxley Act.....	21

(2)

Table of Contents

**PART I**

**FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

The accompanying reviewed interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements included in the Company's annual report on Form 10-K for the year ended December 31, 2012, filed April 15, 2013. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the three months ended March 31, 2013 are not necessarily indicative of the results that can be expected for the year ending December 31, 2013.

(3)

Table of Contents

**REVOLUTIONARY  
CONCEPTS, INC.  
AND ITS  
SUBSIDIARY  
(A Development  
Stage Company)  
CONSOLIDATED  
BALANCE  
SHEETS  
as of:**

	(Unaudited) March 31, 2013	(Audited) December 31, 2012
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$-	\$-
Accrued interest receivable, net of reserve \$529,184 (see note 11)	-	-
Total Current Assets	—	—
Fixed Assets		
Furniture and equipment	13,028	13,028
Accumulated depreciation	(11,558)	(11,448)
Total Net Fixed Assets	1,470	1,580
Other Assets		
Patent costs	116,080	112,985
Accumulated amortization	(93,620)	(92,231)
Total Patent Costs net of accumulated amortization	22,460	20,754
Related party note receivable	112,663	112,663
Notes receivable, net of reserve \$7,108,861 (see note 11)	—	—
Prepaid expenses	15,593	
Security deposits	1,500	1,500
Total Other Assets net of accumulated amortization	152,216	134,917
<b>TOTAL ASSETS</b>	<b>\$153,686</b>	<b>\$136,497</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities		
Accounts payable	\$172,551	\$165,630
Checks in excess of bank balance	299	840
Derivative liability	128,150	82,222
Convertible note, net of discounts of \$54,454 and \$27,913 respectively	31,105	21,086
Current portion of long-term debt	648,657	516,657
Other accrued expenses	857,917	721,478

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

Total Current Liabilities	1,838,680	1,507,913
Long-term Debt		
Notes payable	361,238	476,930
Notes payable - related parties	374,000	374,000
Total Long-term Debt	735,238	850,930
Stockholders' Deficit		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, 10,000,000 and -10,000,000- shares reserved and outstanding	10,000	10,000
Common stock, \$.001 par value, 355,079,460 and 335,949,025 shares issued and outstanding, 1,000,000,000 authorized, respectively	355,079	335,949
Additional paid in capital	10,488,418	10,466,872
Unpaid capital contributions (see note 3)	(84,367 )	(83,562 )
Deficit accumulated during the development stage	(13,189,363)	(12,951,606)
	(2,420,232 )	(2,222,346 )
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 153,686</b>	<b>\$ 136,497</b>

The Report of  
Independent  
Registered  
Public  
Accounting  
Firm and  
accompanying  
notes are an  
integral part of  
these  
consolidated  
financial  
statements.

(4)

Table of Contents**REVOLUTIONARY  
CONCEPTS, INC.  
AND ITS  
SUBSIDIARY**(A Development Stage  
Company)**CONSOLIDATED  
STATEMENTS OF  
OPERATIONS**For The Three Months  
Ending March 31, 2013  
and 2012And The Period From  
March 12, 2004  
(Inception) To March  
31, 2013

	For The 3 Months Ending		March 12, 2004
	March 31, 2013	2012	(Inception) to March 31, 2013
<b>OPERATING EXPENSES</b>			
Automobile expense	—	—	28,943
Bank charges	61	393	9,208
Compensation	100,000	—	135,446
Unpaid accumulated compensation	—	100,000	1,370,109
Depreciation & amortization expense	1,499	3,228	108,248
License and permits	1,100	6,920	17,025
Marketing	—	54,275	251,893
Office expense	—	—	20,117
Office supplies	212	821	16,371
Payroll taxes	11,150	11,151	88,290
Printing and reproduction	450	160	17,512
Professional fees	25,847	44,008	2,530,892
Rent expense	5,892	5,098	28,605
Research and development expense	—	—	596,707
Telephone expense	—	478	28,491
Travel expense	204	418	114,765
Website development expense	180	—	14,511
Other expenses	3,264	550	58,268
<b>Total Operating Expenses</b>	<b>149,858</b>	<b>227,500</b>	<b>5,435,399</b>

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

OTHER INCOME & (EXPENSE)			
Interest income	264,318	804	550,204
Reserve of interest income	(263,514 )	—	(529,184 )
Reserve for notes receivable	—	—	(7,108,861 )
Other income	—	—	490
Gain/(Loss) on derivatives	(27,604 )	—	(162,545 )
Interest expense & amortization of debt discount	(61,099 )	(16,784 )	(504,067 )
Total Other Income and Expense	(87,899 )	(15,980 )	(7,753,963 )
NET (LOSS)	(237,757 )	(243,480 )	(13,189,363)
Weighted average number of common shares outstanding	353,480,426	91,115,295	82,547,596
Net (Loss) per common shares outstanding	\$(0.00)	* \$(0.00)	* \$(0.16)

\* less than \$0.01

The Report of  
Independent  
Registered  
Public  
Accounting  
Firm and  
accompanying  
notes are an  
integral part of  
these  
consolidated  
financial  
statements.

(5)



Table of Contents**REVOLUTIONARY  
CONCEPTS, INC.  
AND ITS  
SUBSIDIARY**(A Development  
Stage Company)**CONSOLIDATED  
STATEMENTS OF  
CASH FLOWS**For The Three  
Months Ended March  
31, 2013 And 2012  
And The Period From  
March 12, 2004  
(Inception) To March  
31, 2013

	For The 3 Months Ended		March 12, 2004
	March 31, 2013	March 31, 2012	(Inception) to March 31, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (Loss)	\$ (237,757	) \$ (243,480	) \$ (13,189,363 )
Adjustments to reconcile (net loss) to net cash (used in) operating activities:			
Reserve for notes receivable, net of reserve \$7,108,861 (see note 11)	—	—	7,108,861
Depreciation and amortization	1,499	3,228	105,178
Amortization of debt discount	26,520	—	171,754
Loss on derivative liability	27,604	—	162,545
(Increase) in other assets	(15,593	) —	(129,756 )
Common shares issued for services received and officer compensation	—	4,990	1,483,146
Increase (decrease) in accounts payable	6,380	(27,002	) 172,010
Increase (decrease) in accrued expenses and other liabilities	136,439	107,514	909,897
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>(54,908</b>	<b>) (154,750</b>	<b>) (3,210,717 )</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of computer equipment	—	—	(13,028 )
Investment in patent costs	(3,095	) (4,446	) (116,080 )
<b>NET CASH (USED BY) INVESTING ACTIVITIES</b>	<b>(3,095</b>	<b>) (4,446</b>	<b>) (129,108 )</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

Issuance of common stock shares from private placements	—	—	1,754
Exercise of warrants	—	—	18,470
Issuance of common stock shares for conversion of debt			
Issuance of notes payable	58,808	134,000	2,345,972
Retirement of notes payable	(27,892)	) —	(949,609 )
Paid in capital from private placements and warrants	—	—	—
Capital contributions	—	—	462,774
Common stock shares repurchased with cash	—	—	(9,644 )
Unpaid capital contributions (see note 3)	(805)	) (804)	) (84,367 )
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	46,611	159,196	3,334,836
NET INCREASE (DECREASE) IN CASH	\$0	\$—	\$0
CASH AND CASH EQUIVALENT BALANCE BEGINNING OF PERIOD	\$—	\$—	\$—
CASH AND CASH EQUIVALENT BALANCE END OF PERIOD	\$0	\$—	\$0
SUPPLEMENTAL DISCLOSURES			
Cash paid during the period for interest	\$—	\$—	\$—
Cash paid during the period for income taxes	\$—	\$—	\$—
Reserve of preferred stock for acquisition	\$—	\$—	\$—
Interest income, net of reserve \$529,184 (see Note 11)	\$—	\$—	\$—
Issuance of common stock for the conversion of debt	\$16,500	\$138,461	\$1,561,953

The Report of Independent Registered Public Accounting Firm and accompanying notes are an integral part of these consolidated financial statements.

(6)

Table of Contents

**REVOLUTIONARY CONCEPTS, INC.**

**(A Development Stage Company)**

**NOTES TO CONDENSED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Revolutionary Concepts, Inc. (the “Company”) was originally organized in North Carolina on March 12, 2004. On February 28, 2005, the Company was reorganized and re-domiciled as a Nevada corporation. The Company is a development stage company positioned to begin launch and license of its patented technologies. The Company was incorporated as a Nevada corporation on February 28, 2005 to reincorporate and re-domesticate two existing North Carolina entities; Revolutionary Concepts, Inc. and DVMS, LLC. The Company is engaged in the development of patented entry management systems and hopes to continue to develop smart camera technologies that interface with smart devices enabling remote monitoring.

The Company’s efforts to date have been devoted to securing the intellectual framework around several key technologies and applications related to remote video monitoring, video analytics and software enabled camera. Advances in wireless technologies combined with increased data speed rates permits a very sophisticated and new means of monitoring, security and entry management.

The Company is planning to brand its smart technology “EyeTalk®”. EyeTalk® will include smart camera technology that allows interactive two-way communication between a smart phone and other handheld device. Unlike many IP cameras that simply produce and transmit an image, the EyeTalk® smart camera technology will have embedded capabilities that distinguish it as a significant technological advancement over traditional camera systems.

The Company’s joint venture agreement with IQMagine continues to advance, with the recently received patent for a child car seat with a built in monitor for gaming and two-way communication (Patent No. 8,016,676). The proof of concept and ideation of this product have been completed as well as an additional item - consisting of a plush toy capable of monitoring and two-way communication. Chris Scheppegrell, managing member of IQMagine is implementing a strategy for licensing of both products.

The Company has also completed the acquisition of Greenwood Finance Group, LLC. The Company and Rainco Industries, Inc. entered into a Member Interest Purchase Agreement, (the “Purchase Agreement”) dated as of December 7, 2012, in which the Company purchased from Rainco Industries, Inc. all the issued and outstanding member interests in Greenwood Finance Group, LLC. (“Greenwood”). With representatives in Atlanta and Charlotte, Greenwood is a private equity firm consisting of a team of individuals who understand the work that goes into developing

businesses in their beginning stages. In addition to providing funding through their Green Path Fund, Greenwood provides consultation services to help business leaders' map out plans and goals for continued success. Greenwood provides broad-spectrum investment and capital services to small-cap and micro-cap companies; strategically positioning them for long-term growth and profitability. Greenwood delivers, through their global network of investment partners and private equity groups, the capabilities to quickly tailor funding solutions that meet the unique needs of each client which can be tailored to a client's capital funding needs so it can focus on growing the client's company.

Basis of presentation - These financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America and have been consistently applied in the preparation of the financial statements on a going concern basis, which assumes the realization of assets and the discharge of liabilities in the normal course of operations for the foreseeable future. The Company maintains its financial records on an accrual method of accounting. The Company's ability to continue as a going concern is dependent upon continued ability to obtain financing to repay its current obligations and fund working capital until it is able to achieve profitable operations. The Company will seek to obtain capital from equity financing through the exercise of warrants and through future common share private placements. The Company may also seek debt financing, if available. Management hopes to realize sufficient sales in future years to achieve profitable operations. There can be no assurance that the Company will be able to raise sufficient debt or equity capital on satisfactory terms. If management is unsuccessful in obtaining financing or achieving profitable operations, the Company may be required to cease operations. The outcome of these matters cannot be predicted at this time. These financial statements do not give effect to any adjustments which could be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements.

Revenue recognition – The Company will recognize sales revenue at the time of delivery when ownership has transferred to the customer, when evidence of a payment arrangement exists and the sales proceeds are determinable and collectable. Provisions will be recorded for product returns based on historical experience. To date, the Company's revenue is primarily comprised of interest income.

Options and warrants issued – The Company allocates the proceeds received from equity financing and the attached options and warrants issued, based on their relative fair values, at the time of issuance. The amount allocated to the options and warrants is recorded as additional paid in capital.

Stock-based compensation – The Company accounts for stock-based compensation at fair value in accordance with the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 718, "Stock Compensation", which establishes accounting for stock-based payment transactions for employee services and goods and services received from non-employees. Under the provisions of ASC Topic 718, stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the award, and is recognized as expense in the consolidated statements of operations pro ratably over the employee's or non-employee's requisite service period, which is generally the vesting period of the equity grant. The fair value of stock option awards is generally determined using the Black-Scholes option-pricing model. Restricted stock awards and units are valued using the market price of the Company's common stock on the grant date. Additionally, stock-based compensation cost is recognized based on awards that are ultimately expected to vest, therefore, the compensation cost recognized on stock-based payment

## Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

transactions is reduced for estimated forfeitures based on the Company's historical forfeiture rates. Additionally, no stock-based compensation costs were capitalized for the three months ended March 31, 2013 and for the periods from inception (March 12, 2004) to March 31, 2013, no stock options were committed to be issued to employees.

Income taxes – Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards that are available to be carried forward to future years for tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. When it is not considered to be more likely than not that a deferred tax asset will be realized, a valuation allowance is provided for the excess. Although the Company has significant loss carry forwards available to reduce future income for tax purposes, no amount has been reflected on the balance sheet for deferred income taxes as any deferred tax asset has been fully offset by a valuation allowance.

Reclassifications – None.

Loss per share – Basic loss per share has been calculated using the weighted average number of common shares issued and outstanding during the year.

Use of Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions, where applicable, that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. While actual results could differ from those estimates, management does not expect such variances, if any, to have a material effect on the financial statements.

Research and Development Costs - Research and development costs are expensed as incurred in accordance with generally accepted accounting principles in the United States of America. *Research* is planned search or critical investigation aimed at discovery of new knowledge with the hope that such knowledge will be useful in developing a new product or service or a new process or technique or in bringing about a significant improvement to an existing product or process. *Development* is the translation of research findings or other knowledge into a plan or design for a new product or process or for a significant improvement to an existing product or process whether intended for sale or use. It includes the conceptual formulation, design, and testing of product alternatives, construction of prototypes, and operation of pilot plants. It does not include routine or periodic alterations to existing products, production lines, manufacturing processes, and other on-going operations even though those alterations may represent improvements and it does not include market research or market testing activities. Elements of costs shall be identified with research and development activities as follows: The costs of materials and equipment or facilities that are acquired or constructed for research and development activities and that have alternative future uses shall be capitalized as tangible assets when acquired or constructed. The cost of such materials consumed in research and development activities and the depreciation of such equipment or facilities used in those activities are research and development

costs. However, the costs of materials, equipment, or facilities that are acquired or constructed for a particular research and development project and that have no alternative future uses and therefore no separate economic values are research and development costs at the time the costs are incurred. Salaries, wages, and other related costs of personnel engaged in research and development activities shall be included in research and development costs. The costs of contract services performed by others in connection with the research and development activities of an enterprise, including research and development conducted by others in behalf of the enterprise, shall be included in research and development costs.

Depreciation – Depreciation is computed using the straight-line method over the assets' expected useful lives. Valuation of Long-Lived Assets - The Company periodically analyzes its long-lived assets for potential impairment, assessing the appropriateness of lives and recoverability of unamortized balances through measurement of undiscounted operating cash flows on a basis consistent with accounting principles generally accepted in the United States of America.

Intangible and Other Long-Lived Assets, Net - (Included in Accounting Standards Codification (“ASC”) 350 “Goodwill and Other Intangible Assets” previously SFAS No. 142 and ASC 985 “Accounting for Costs of Computer Software to be Sold, Leased, or Otherwise Marketed” previously SFAS No. 86)

Intangible assets are comprised of software development costs and legal fees incurred in order to obtain the patent. The software development costs are capitalized in accordance with SFAS 86. Costs of producing product masters incurred subsequent to establishing technological feasibility shall be capitalized. Those costs include coding and testing performed subsequent to establishing technological feasibility. Software production costs for computer software that is to be used as an integral part of a product or process shall not be capitalized until both (a) technological feasibility has been established for the software and (b) all research and development activities for the other components of the product or process have been completed. The fees incurred in order to obtain the patent are capitalized in accordance with SFAS 142 “Goodwill and Other Intangible Assets. This Statement applies to costs of internally developing identifiable intangible assets that an entity recognizes as assets APB Opinion 17, paragraphs 5 and 6. The Company periodically analyzes its long-lived assets for potential impairment, assessing the appropriateness of lives and recoverability of unamortized balances through measurement of undiscounted operating cash flows on a basis consistent with accounting principles generally accepted in the United States of America.

Amortization – Deferred charges are amortized using the straight-line method over six years.

(7)

Table of Contents

**NOTE 2 – RECENT ACCOUNTING PRONOUNCEMENTS**

The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its consolidated financial condition or the consolidated results of its operations.

In July 2012, the FASB issued ASU No. 2012-02, “*Testing Indefinite-Lived Intangible Assets for Impairment*”. The guidance allows companies to perform a “qualitative” assessment to determine whether further impairment testing of indefinite-lived intangible assets is necessary, similar in approach to the goodwill impairment test.

ASU 2012-02 allows companies the option to first assess qualitatively whether it is more likely than not that an indefinite-lived intangible asset is impaired, before determining whether it is necessary to perform the quantitative impairment test. An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not that the asset is impaired. Companies can choose to perform the qualitative assessment on none, some, or all of its indefinite-lived intangible assets or choose to only perform the quantitative impairment test for any indefinite-lived intangible in any period.

ASU 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The Company is in the process of evaluating the guidance and the impact ASU 2012-02 will have on its consolidated financial statements.

In August 2012, the FASB issued ASU 2012-03, “Technical Amendments and Corrections to SEC Sections: Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin (SAB) No. 114. , Technical Amendments Pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting Standards Update 2010-22 (SEC Update)” in Accounting Standards Update No. 2012-03. This update amends various SEC paragraphs pursuant to the issuance of SAB No. 114. The adoption of ASU 2012-03 is not expected to have a material impact on our financial position or results of operations.

In October 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-04, “Technical Corrections and Improvements” in Accounting Standards Update No. 2012-04. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification.

These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will be effective for fiscal periods beginning after December 15, 2012. The adoption of ASU 2012-04 is not expected to have a material impact on our financial position or results of operations.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

## Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

The Board of Directors previously authorized the officers of the Company to receive advances from the Company, in lieu of taking compensation, under terms of promissory notes bearing 5% interest, beginning January 1, 2006. As of March 31, 2013 and March 31, 2012, the advances totaled \$84,367 and \$80,345, respectively. These advances are described as unpaid capital contributions for financial reporting purposes.

On August 4, 2011, the Company issued 6,600,000 restricted common shares to the officers of the Company, for contributions to the Company over the past year. The shares were recorded at the market price on the date of issue of an aggregate of \$340,000 (Also See Note 8).

On October 1, 2011, the Company entered into a two (2) year convertible Promissory Note with its President and CEO, Ronald Carter for \$92,308 at 10% interest for the balance of the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock at \$.005. On March 30, 2012, this Note was converted to 18,461,544 and reduced our Long Term Notes by \$92,308.

On October 1, 2011, the Company entered into a two (2) year convertible Promissory Note with its Vice President, Solomon Ali for \$46,154 at 10% interest for the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock at \$.005. On March 30, 2012, this Note was converted to 9,230,768 and reduced our Long Term Notes by \$46,154.

On April 1, 2012, the Company entered into a two (2) year convertible Promissory Note with its President and CEO, Ronald Carter for \$200,000 at 10% interest for the balance of the accrued compensation owed to him for the fiscal year 2011 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock at \$.005.

On April 1, 2012, the Company entered into a two (2) year convertible Promissory Note with its Vice President, Solomon Ali for \$174,000 at 10% interest for the accrued compensation owed to him for the fiscal year 2011 in accordance with his Employment Agreement. The holder has the right to convert the note to common stock at \$.005.

### **NOTE 4 – ACCOUNTS PAYABLE**

Accounts payable consist of the following:	03/31/13	12/31/12
Professional fees	\$92,826.13	\$77,684
Other	2,277	2,277
Legal fees	69,248	77,468
Consulting fees	8,200	8,200



\$172,551    \$165,629

(8)

Table of Contents

**NOTE 5 – COMITMENTS AND CONTENGINCIES**

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Recoveries from third parties, which are probable of realization are separately recorded, and are not offset against the related liability, in accordance with FASB ASC 210-10-05-3, “Offsetting of Amounts Related to Certain Contracts.” The Company is the plaintiff in a lawsuit seeking damages against the law firm retained to file for “EyeTalk®” product patent.

On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for the note that was in default as of May 2010. On January 7, 2011, the note holder amended the filing to include the personal loan. The amount of the claim was \$100,996, plus interest at 8% and legal costs. On the 10<sup>th</sup> day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. On the 4<sup>th</sup> day of August 2011, the Company reached an agreement with a third party to negotiate and acquire the judgment award and to agree to a convertible note from the Company for its services. The total value of the convertible note is \$144,067 including interest, of which the Company has received a promissory note from Mr. Carter for \$112,663 for the part of the judgment, interest and fees that was from the personal promissory note that the Company guaranteed.

For several years, the Company has been engaged in litigation against its former patent attorneys for malpractice arising from a missed filing deadline relating to obtaining patents for the Company’s core technologies outside the United States. After a two-year fight over jurisdiction in the case, including wins for the Company at the trial court and at the North Carolina Court of Appeals, the case was remanded to the trial court for further proceedings. Unfortunately, the trial court dismissed the case on a technicality, potentially ending the case. The Company's trial counsel has assured the Company that the judge's ruling is contrary to law and that good grounds exist for appeal. An appeal was filed in November 2012. The North Carolina Court of Appeals reviewed the Company’s appeal on February 12, 2013. The results of the appeal were filed on May 7, 2013. The Court of Appeals reversed the dismissal in part. The Court ruled that tort claims are not assignable in North Carolina, therefore, the plaintiff in the case will remain Ron Carter. The fact that RCI was dismissed is not really significant at all, because the claims in the suit will be maintained and the case lives on. The court also affirmed that the uninvolved individual defendants, Clements and Bernard, are not individually liable for Dougherty's and Brockington's malpractice which is somewhat irrelevant.

**NOTE 6 – INTELLECTUAL PROPERTY**

The patent number US 7,193644 B2, for the prototype was successfully obtained on March 20, 2007. In accordance with FASB ASC 210-10-05-3, the Company has established a technological feasibility date on July 21, 2004, the date that Phase I was delivered and presented. The software development costs have been analyzed and it has been

## Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

determined that all software development costs were incurred subsequent to the feasibility date. The useful life of capitalized software costs has been assumed to be 5 years. Total software development costs were \$32,200 and the appropriate minimum amortization has been taken, also in accordance with FASB ASC 210-10-05-3. The following additional patents have now been awarded. U.S. Patent 8,139,098; U.S. Patent 8,144,183; U.S. Patent 8,144,184; U.S. Patent 8,154,581; U.S. Patent 8,164,614; U.S. Patent 8,016,676 B2. The company has patent pending applications related to; (a) video system for individually selecting and viewing events at a venue; (b) medical monitoring; and (c) real estate audio-video monitoring.

Patent was comprised of the following amounts as of March 31, 2013 and December 31, 2012, respectively.

Patent costs	116,080	112,985
Accumulated amortization	(93,620 )	(92,231 )
Total Patent Costs net of accumulated amortization	22,460	20,754

### **NOTE 7 – COMMON STOCK SHARES FOR SERVICES RECEIVED**

For the three months ended March 31, 2013, the Company did not issue any shares for services.

(9)

Table of Contents

**NOTE 8 – CONVERSION OF DEBT TO EQUITY**

On March 21, 2012, the Company completed a partial conversion of one of its Notes payable dated April 30, 2011, with a principal amount of \$76,194. A total of \$26,000 worth of the Note was converted, and 11,817,900 common shares were issued for that part of the conversion, which leaves a remaining balance of \$50,194 of the principal of the Note. No accrued interest was paid on the Note upon conversion. This conversion of debt reduced the Company's Long Term Notes payables by \$26,000.

On March 21, 2012, the Company issued 159,000 restricted common shares for professional services provided to the Company and expensed in 2011. The issuance reduced the Company's accounts payable by \$4,990.

On March 30, 2012, the Company completed a conversion of one of its Notes payable to one of our Officers and Directors, Mr. Solomon Ali, dated October 1, 2011, with a principal amount of \$46,154. The Note was converted, and 9,230,768 common shares were issued for the conversion. No accrued interest was paid on the Note upon conversion. This conversion of debt reduced the Company's Long Term Notes payables by \$46,154.

On March 30, 2012, the Company completed a conversion of one of its Notes payable to one of our Officers and Directors, Mr. Ronald Carter, dated October 1, 2011, with a principal amount of \$92,308. The Note was converted, and 18,461,544 common shares were issued for the conversion. No accrued interest was paid on the Note upon conversion. This conversion of debt reduced the Company's Long Term Notes payables by \$92,308.

On June 18, 2012, the Company received a notice of partial conversion from an unrelated third party. This was a partial reassignment and modification of notes dated May 30, 2011 for \$12,000, May 30, 2011 for \$10,000 and a note dated June 30, 2011 for \$17,500 and accumulated interest of \$3,948. A total of \$10,000 was converted and 3,030,303 restricted common shares were issued, which leaves a remaining principal balance of \$33,448. This conversion of debt reduced our notes payables \$10,000.

On June 19, 2012, the Company received a notice of partial conversion from an unrelated third party as part of a partial reassignment and modification of a note originally issued to a non-related third party on August 30, 2011. A total of \$4,000 was converted and 1,111,111 restricted common shares were issued, which leaves a remaining principal balance of \$23,000. This conversion of debt reduced our notes payables \$4,000.

## Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

From July 27, 2012 through September 25, 2012, the Company received several notices of partial conversion from an unrelated third party as part of a partial reassignment and modification of a note originally issued to a non-related third party on August 30, 2011. A total of \$17,500 was converted and 27,127,038 restricted common shares were issued, which leaves a remaining principal balance of \$5,500. This conversion of debt reduced our notes payables \$17,500.

On August 1, 2012, the Company received a notice of partial conversion from an unrelated third party as part of a partial reassignment of a note originally issued to a non-related third party on April 30, 2012, in the amount of \$76,194. A total of \$37,645 was converted and 17,128,475 restricted common shares were issued, which leaves a remaining principal balance of \$12,549. This conversion of debt reduced our notes payables \$37,645.

From August 22, 2012 through September 18, 2012 the Company received several notices of partial conversion from an unrelated third party. This was a partial reassignment and modification of notes dated May 30, 2011 for \$12,000, May 30, 2011 for \$10,000 and a note dated June 30, 2011 for \$17,500 and accumulated interest of \$3,948. A total of \$33,448 was converted and 38,618,636 restricted common shares were issued, which leaves a remaining principal balance of \$0. This conversion of debt reduced the Company notes payables \$33,448.

From September 19, 2012 through September 28, 2012 the Company received several notices of partial conversion from an unrelated third party. This was a partial reassignment and modification of notes dated October 30, 2011 for \$8,700, November 30, 2011 for \$8,500 and a note dated January 31, 2012 for \$28,000. A total of \$16,300 was converted and 23,857,143 restricted common shares were issued, which leaves a remaining principal balance of \$26,400. This conversion of debt reduced the Company notes payables \$16,300.

On August 1, 2012, the Company received a notice of partial conversion from an unrelated third party as part of a partial reassignment of a note originally issued to a non-related third party on April 30, 2012, in the amount of \$76,194. A total of \$37,645 was converted and 17,128,475 restricted common shares were issued, which leaves a remaining principal balance of \$12,549. This conversion of debt reduced the Company notes payables \$37,645.

From August 22, 2012 through September 18, 2012, the Company received several notices of partial conversion from an unrelated third party. This was a partial reassignment and modification of notes dated May 30, 2011 for \$12,000, May 30, 2011 for \$10,000 and a note dated June 30, 2011 for \$17,500 and accumulated interest of \$3,948. A total of \$33,448 was converted and 38,618,636 restricted common shares were issued, which leaves a remaining principal balance of \$0. This conversion of debt reduced the Company notes payables \$33,448.

On September 4, 2012, the Company entered into a one (1) year convertible Promissory Note with a non-related creditor for \$42,700 at 10% interest. The holder has the right to convert the note to common stock at 50% of the then current market prices. September 19, 2012 through September 28, 2012, the Company received several notices of partial conversion from an unrelated third party. This was a partial reassignment and modification of notes dated October 30, 2011 for \$8,700, November 30, 2011 for \$8,500 and a note dated January 31, 2012 for \$28,000. A total of \$16,300 was converted and 23,857,143 restricted common shares were issued, which leaves a remaining principal

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

balance of \$26,400. This conversion of debt reduced the Company notes payables \$16,300.

On October 4, 2012, the Company received a notice of partial conversion from an unrelated third party as part of a partial reassignment and modification of a note originally issued to a non-related third party on August 30, 2011. A total of \$5,500 was converted and 14,107,500 restricted common shares were issued, which leaves a remaining principal balance of \$0. This conversion of debt reduced the Company notes payables \$5,500.

From October 8, 2012 through December 13, 2012, the Company received several notices of partial conversion from an unrelated third party. This was a partial reassignment and modification of notes dated October 30, 2011 for \$8,700, November 30, 2011 for \$8,500 and a note dated January 31, 2012 for \$28,000. A total of \$26,400 was converted and 68,168,930 restricted common shares were issued, which leaves a remaining principal balance of \$0. This conversion of debt reduced the Company notes payables \$26,400.

On November 1, 2012, the Company received a notice of partial conversion from an unrelated third party as part of note originally issued to a non-related third party on August 4, 2011. A total of \$90,497 was converted and 18,099,488 restricted common shares were issued, which leaves a remaining principal balance of \$0. This conversion of debt reduced the Company notes payables \$90,497.

On December 26, 2012, the Company received a notice of partial conversion from an unrelated third party as part of a note originally issued on June 19, 2012. A total of \$11,000 was converted and 13,750,000 restricted common shares were issued, which leaves a remaining principal balance of \$16,500. This conversion of debt reduced the Company notes payables \$11,000.

From January 7 through January 9, 2013, the Company received notices of partial conversion from an unrelated third party as part of a note originally issued on June 19, 2012. A total of \$16,500 and accumulated interest of \$1,100 was converted and 19,130,435 restricted common shares were issued, which leaves a remaining principal balance of \$0. This conversion of debt reduced the Company notes payables \$16,500.

(10)

Table of Contents**NOTE 9 –NOTES PAYABLE**

	March 31, 2013	December 31, 2012
On April 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$76,194 at 10% interest. On March 21, 2012, \$26,000 of this Note was converted. On August 1, 2012, this \$37,645 of this Note was converted	12,549	12,549
On April 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$12,000 at 10% interest. The holder has the right to convert the note to common stock.	12,000	12,000
On May 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$12,000 at 10% interest. The holder has the right to convert the note to common stock. On June 12, 2012, this Note was modified and was assigned by the original note holder to an unrelated third party.	-	-
On May 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$10,000 at 10% interest. The holder has the right to convert the note to common stock. On June 12, 2012, this Note was modified and was assigned by the original note holder to an unrelated third party.	-	-
On June 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$17,500. The holder has the right to convert the note to common stock. On June 12, 2012, this Note was modified and was assigned by the original note holder to an unrelated third party.	-	-
On August 4, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$140,663 and \$3,404 in interest. The holder has the right to convert the note to common stock. On November 30, 2011, the holder converted \$50,166 of the note leaving a principal balance due of \$90,497. On November 1, 2012 a total of \$90,497 was converted which leaves a remaining principal balance of \$0.	-	-
On August 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for	17,600	17,600

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

\$44,600 at 10% interest. The holder has the right to convert the note to common stock. On June 7, 2012, \$27,000 of this Note was modified and was assigned by the original note holder to an unrelated third party.

On September 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$177,522 at 10% interest. The holder has the right to convert the note to common at stock.

177,522

177,522

On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with Ronald Carter, its President and CEO for \$92,308 at 10% interest for the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. On March 30, 2012, this Note was converted.

-

-

On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with its Senior Vice President, Solomon Ali for \$46,154 at 10% interest for the accrued compensation owed to him for the fiscal year 2010 in accordance with his Employment Agreement. On March 30, 2012, this Note was converted.

-

-

On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$63,818 at 10% interest. The holder has the right to convert the note to common stock. This note was assigned to an unrelated third party and was originally issued December 31, 2010

63,818

63,818

On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$27,018 at 10% interest. The holder has the right to convert the note to common stock. This note was originally issued December 31, 2010

27,018

27,018

On October 1, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$198,950 at 10% interest. The holder has the right to convert the note to common stock. This note was assigned to an unrelated third party and was originally issued December 31, 2010

198,950

198,950

On October 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$8,700 at 10% interest. The holder has the right to convert the note to common stock. \$6,200 of this note was assigned to an unrelated third party September 4, 2012

2,500

2,500

On November 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$8,500 at 10% interest. The holder has the right to convert the

-

-



Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

note to common stock. This note was assigned to an unrelated third party September 4, 2012

On December 30, 2011 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$4,700 at 12% interest. The holder has the right to convert the note to common stock.	4,700	4,700
---	-------	-------

On January 2, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$57,000 at 10% interest. The holder has the right to convert the note to common stock.	57,000	57,000
--	--------	--------

On January 31, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$28,000 at 12% interest. The holder has the right to convert the note to common stock. This note was assigned to an unrelated third party September 4, 2012.	-	-
---	---	---

On February 28, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$5,000 at 12% interest. The holder has the right to convert the note to common stock.	5,000	5,000
---	-------	-------

On March 30, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$70,000 at 12% interest. The holder has the right to convert the note to common stock.	70,000	70,000
---	--------	--------

On April 1, 2012 the Company entered into a two (2) year convertible Promissory Note with Ronald Carter, its President and CEO for \$200,000 at 10% interest for the accrued compensation owed to him for the fiscal year 2011 in accordance with his Employment Agreement.	200,000	200,000
---	---------	---------

On April 1, 2012 the Company entered into a two (2) year convertible Promissory Note with its Senior Vice President, Solomon Ali for \$174,000 at 10% interest for the accrued compensation owed to him for the fiscal year 2011 in accordance with his Employment Agreement. \$50,194 of this note has assigned to an unrelated third party.	174,000	174,000
---	---------	---------

On April 30, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$22,000 at 12% interest. The holder has the right to convert the note to common stock.	22,000	22,000
---	--------	--------

On May 31, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$37,000 at 12% interest. The holder has the right to convert the note to common stock.	37,000	37,000
---	--------	--------

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

<p>On June 7, 2012 the Company entered into a one (1) year convertible Promissory Note with a non-related creditor for \$27,000 at 12% interest. The holder has the right to convert the note to common stock. On June 19, 2012, \$4,000 of this note was converted. An additional \$17,500 of this note was converted on dates between July 1 and September 30, 2012. On October 4, 2012, the final \$5,500 was converted by the holder.</p>	-	-
<p>On June 12 2012 the Company entered into a one (1) year convertible Promissory Note with a non-related creditor for \$43,448 at 10% interest. The holder has the right to convert the note to common stock. On June 18, 2012, \$10,000 of this note was converted. The remaining \$33,448 of this note was converted on various dates between July 1 and September 30, 2012</p>	-	-
<p>On June 19, 2012 the Company entered into a one (1) year convertible Promissory Note with a non-related creditor for \$27,500 at 8% interest. The holder has the right to convert the note to common stock. On December 26, 2012 the holder elected to convert \$11,000 of this note. From January 7 through January 9, 2013 the holder elected to convert a total of \$16,500 and accumulated interest of \$1,100, which leaves a remaining principal balance of \$0. This conversion of debt reduced our notes payables \$16,500.</p>	-	16,500
<p>On June 30, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$38,809 at 12% interest. The holder has the right to convert the note to common stock.</p>	38,809	38,809
<p>On August 30, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$46,600 at 12% interest. The holder has the right to convert the note to common stock.</p>	46,600	46,600
<p>On September 4, 2012 the Company entered into a one (1) year convertible Promissory Note with a non-related creditor for \$42,700, at 12% interest. The holder has the right to convert the note to common stock. \$16,300 of this note was converted on various dates between July 1 and September 30, 2012. The holder converted the remaining \$26,400 on various dates between October 8 through December 13, 2012.</p>	-	-
<p>On September 30, 2012 the Company entered into a two (2) year convertible Promissory Note with a non-related creditor for \$33,518.80 at 12% interest. The holder has the right to convert the note to common stock.</p>	33,519	33,519
	32,500	32,500

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

On October 12, 2012 we entered into a nine (9) month convertible Promissory Note with a non-related creditor for \$32,500 at 8% interest. The holder has the right to convert the note to common stock.

On October 30, 2012 we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$2,612 at 12% interest. The holder has the right to convert the note to common stock.

2,612 2,612

On November 30, 2012 we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$76,390 at 12% interest. The holder has the right to convert the note to common stock.

76,390 76,390

On December 30, 2012 we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$88,000 at 12% interest. The holder has the right to convert the note to common stock.

88,000 88,000

On January 17, 2013 we entered into a nine (9) month convertible Promissory Note with a non-related creditor for \$42,500 at 8% interest. The holder has the right to convert the note to common stock at 50% of the then current market prices.

42,500 -

On February 28, 2013 we entered into a three (3) year convertible Promissory Note with a non-related creditor for \$12,898 at 12% interest. The holder has the right to convert the note to common stock at \$0.003 per share.

12,898 -

On March 30, 2013 we entered into a three (3) year convertible Promissory Note with a non-related creditor for \$3,410 at 12% interest. The holder has the right to convert the note to common stock at \$0.002 per share.

3,410 -

Total notes payable	\$	1,458,895	\$	1,416,587
Less Current Portion	\$	(648,657)	\$	(516,657)
Less Debt Discount	\$	(43,895)	\$	(27,913)
Less convertible notes, net	\$	(31,105)	\$	(21,086)
Total Long Term Notes Payable	\$	735,238	\$	850,931

Table of Contents

In its efforts to expand and grow, the Company has issued debt instruments to borrow funds from various creditors to raise capital. These are long-term Notes with various rates and maturities, that grants the Note Holder the right, (but not the obligation), to convert them into common stock of the Company in lieu of receiving payment in cash. The issued Notes are secured obligations. The principal amount of the Notes may be prepaid upon agreement of both parties and a prepayment penalty, in whole or part at any time, together with all accrued interest upon written notice.

It could take several years to convert all of the Notes to stock if all of the lenders requested it. It's possible that some of the parties may never convert their Notes to stock and may take cash only, when the Company is in the best position to settle the obligation on a cash basis.

Principal maturities of notes payable as of March 31, 2013 for the next five years and thereafter is as follows:

2013	\$516,657
2014	\$850,930
2015	\$850,930
2016	\$16,308
2017	\$-0-
Total	\$1,458,895

***Embedded Derivatives***

Notes that are convertible at a discount to market are considered embedded derivatives. For more information on the Notes affected, refer to Management's Discussion and analysis and the above list.

Under Financial Accounting Standard Board ("FASB"), U.S. GAAP, Accounting Standards Codification, "Derivatives and Hedging", ASC Topic 815 ("ASC 815") requires that all derivative financial instruments be recorded on the balance sheet at fair value. Fair values for exchange traded securities and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market based pricing models incorporating readily observable market data and requiring judgment and estimates.

The Company issued convertible Notes and has evaluated the terms and conditions of the conversion features contained in the Notes to determine whether they represent embedded or freestanding derivative instruments under the provisions of ASC 815. The Company determined that the conversion features contained in the Notes represent freestanding derivative instruments that meet the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instruments in the Notes is reflected in the Company's balance sheet as a liability. The fair value of the derivative financial instruments of the convertible Notes and warrants was measured at the inception date of the Notes and warrants and each subsequent balance sheet date. Any changes in the fair value of the derivative financial instruments are recorded as non-operating, non-cash income or expense at each balance sheet date.

The Company valued the conversion features in its convertible Notes using the Black-Scholes model. The Black-Scholes model values the embedded derivatives based on a risk-free rate of return ranging from 0.14% to 0.15%, grant dates of Notes, the term of the Notes, conversion prices of 50% of current stock prices on the measurement date ranging from \$0.0035 to \$0.0077, and the computed measure of the Company's stock volatility, ranging from 387% to 387%.

Included in the March 31, 2013, is a derivative liability in the amount of \$128,150 to account for this transaction. This liability arose in the third quarter of 2012 and the balance will be revalued quarterly henceforth and adjusted as a gain or loss to the statements of operations depending on its value at that time.

Included in our Statements of Operations for the three months ended March 31, 2013 and 2012 are \$27,604 and \$26,520 respectively in non-cash charges pertaining to the derivative liability as it pertains to change in derivative liability and amortization of debt discount, respectively.

**NOTE 10 – GOING CONCERN**

The losses, negative cash flows from operations, and negative working capital deficiency sustained by the Company raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

(12)

Table of Contents

**NOTE 11 – ACQUISITION**

**Entry into a Material Definitive Agreement.**

Revolutionary Concepts, Inc., a Nevada corporation, and Rainco Industries, Inc, a Georgia corporation (“Rainco”), have entered into a Member Interest Purchase Agreement, (the “Purchase Agreement”) dated as of December 7, 2012, in which the Company purchased from Rainco all the member interests in Greenwood Finance Group, LLC. (“Greenwood”). Pursuant to the Purchase Agreement and subject to the conditions set forth therein, the Company purchased all the issued and outstanding member interests of Greenwood in exchange for ten million shares of Series A Convertible Preferred Stock (the “Preferred Stock”), the rights, preferences and designations of which are filed as an amendment to the Articles of Incorporation with the State of Nevada.

The completion of the acquisition, and the rights, preferences and designations (as permitted pursuant to the Company’s Articles of Incorporation) was approved by the Board of Directors of the Company.

Each of the Company and Rainco has made customary representations and warranties in the Purchase Agreement. With representatives in Atlanta and Charlotte, Greenwood is a private equity firm consisting of a team of individuals who understand the work that goes into developing businesses in their beginning stages. In addition to providing funding through their Green Path Fund, Greenwood provides consultation services to help business leaders’ map out plans and goals for continued success. Greenwood provides broad-spectrum investment and capital services to small-cap and micro-cap companies; strategically positioning them for long-term growth and profitability. Greenwood delivers, through their global network of investment partners and private equity groups, the capabilities to quickly tailor funding solutions that meet the unique needs of each client which can be tailored to a client’s capital funding needs so it can focus on growing the client’s company.

**Additional Summary of the Purchase Agreement**

The Company has also agreed to various restrictive covenants in the Purchase Agreement and the Preferred Stock, including, among other things but not limited to, (i) conduct business in the ordinary course consistent with past practice in all material respects ; (ii) limit the Company’s right to issue securities, without the approval of the holders of the Preferred Stock; (iii) limit the incurrence of debt in excess of \$10,000, without the approval of the holders of the Preferred Stock; (iv) sell its own assets or purchase the assets of another entity, without the approval of the holders of the Preferred Stock and (vi) limit the Board of Directors to five members and allow Rainco the right, not the obligation, to recommend three members in the event of any vacancies, to serve in accordance with the Company bylaws. The restrictive covenants will terminate upon the elimination of the outstanding obligations of the Company

to Rainco.

Each share of Preferred Stock is convertible, at the discretion of the holder, into 1.8 shares of Company common stock (with provisions which reduce the conversion ratio to one share of Preferred Stock for one share of Company common stock under specified conditions). The Preferred Stock has liquidation preferences and may be cancelled and returned to the Company in exchange for the Member Interests of Greenwood under certain restrictive circumstances.

The foregoing summary description of the Purchase Agreement, the Preferred Stock and the transaction, is not complete and is subject to and qualified in its entirety by reference to the Purchase Agreement, a copy of which is on file with the Commission as Exhibit 2.1 of the Current Report on Form 8-K filed on December 20, 2012, and the Preferred Stock, a copy of which is on file with the Commission as Exhibit 2.1 of the Current Report on Form 8-K filed on December 20, 2012, and the terms of which are incorporated herein by reference.

The Purchase Agreement and the right, preferences and designations of the Preferred Stock have been attached as Exhibits to the Current Report on Form 8-K filed on December 20, 2012is report in order to provide investors and security holders with information regarding its terms. It is not intended to provide any other financial information about the Company, Rainco, Greenwood, or their respective subsidiaries and affiliates. The representations, warranties and covenants contained in the Purchase Agreement and Preferred Stock were made only for purposes of that agreement and as of specific dates; were solely for the benefit of the parties to the Purchase Agreement and Preferred Stock; may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Purchase Agreement instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of the Company, Rainco, Greenwood or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in public disclosures by the Company.

Based on its long-term business strategy, management has decided to reserve the entire value of the gain on sales of notes and the valuation of the notes receivable through our subsidiary, Greenwood Finance Group, LLC. We will recognize the assets and revenue as cash payments are received against the notes receivables and as interest payments. This may also allow the Company to maximize its tax planning strategy. The following table summarizes the consideration paid by the Company and the amounts of the assets acquired at the acquisition date based on the above noted reserves:

<b>Purchase Price Allocation Consideration:</b>	December 7 ,
	2012
Equity instruments (10,000,000 Preferred Class A Shares of Revolutionary Concepts, Inc.)	\$ 18,000,000

**Recognized amounts of identifiable assets acquired as of March 31, 2013:**

Accumulated Interest Income (\$529,184 reserved)	—
Notes Receivable (\$7,108,861 reserved)	—
Total assets (\$7,638,045 reserved)	\$—
<b>Fair value of total assets (\$7,638,045 reserved)</b>	<b>\$—</b>

**NOTE 12 – SUBSEQUENT EVENTS**

On April 30, 2013, we entered into a three (3) year convertible Promissory Note with a non-related creditor for \$24,210.28 at 12% interest. The holder has the right to convert the note to common stock at \$0.002 per share.

From May 3 through May 7, 2013, the Company received notices of partial conversion from an unrelated third party as part of a note originally issued on October 12, 2012. A total of \$27,000 was converted and 25,000,000 restricted common shares were issued, which leaves a remaining principal balance of \$5,500. This conversion of debt reduced the Company notes payables \$27,000.

Unless otherwise noted, references in this Form 10-Q to “RCI”, “we”, “us”, “our”, and the “Company” means Revolutionary Concepts, Inc., a Nevada corporation.

(13)



Table of Contents

**ITEM 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

**Forward-Looking Statements**

*The following discussion and analysis should be read in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this registration statement. Portions of this document that are not statements of historical or current fact are forward-looking statements that involve risk and uncertainties, such as statements of our plans, objectives, expectations and intentions. The cautionary statements made in this registration statement should be read as applying to all related forward-looking statements wherever they appear in this registration statement. From time to time, we may publish forward-looking statements relative to such matters as anticipated financial performance, business prospects, technological developments and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. All statements other than statements of historical fact included in this section or elsewhere in this report are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include, but are not limited to, the following: changes in the economy or in specific customer industry sectors; changes in customer procurement policies and practices; changes in product manufacturer sales policies and practices; the availability of product and labor; changes in operating expenses; the effect of price increases or decreases; the variability and timing of business opportunities including acquisitions, alliances, customer agreements and supplier authorizations; our ability to realize the anticipated benefits of acquisitions and other business strategies; the incurrence of debt and contingent liabilities in connection with acquisitions; changes in accounting policies and practices; the effect of organizational changes within the Company; the emergence of new competitors, including firms with greater financial resources than ours; adverse state and federal regulation and legislation; and the occurrence of extraordinary events, including natural events and acts of God, fires, floods and accidents.*

*Forward-looking statements involve risks, uncertainties and other factors, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors and risks that could affect our results and achievements and cause them to materially differ from those contained in the forward-looking statements include those identified in the section titled “Risk Factors” in the Company’s Annual Report on Form 10-K for the period ended December 31, 2012, as well as other factors that we are currently unable to identify or quantify, but that may exist in the future.*

*In addition, the foregoing factors may affect generally our business, results of operations and financial position. Forward-looking statements speak only as of the date the statement was made. We do not undertake and specifically decline any obligation to update any forward-looking statements.*

**Overview**

We are a development stage company positioned to begin launch and license of our patented technologies. We were incorporated as a Nevada corporation on February 28, 2005 to reincorporate and re-domesticate two existing North Carolina entities; Revolutionary Concepts, Inc. and DVMS, LLC. We are engaged in the development of patented entry management systems and intend to continue to develop smart camera technologies that interface with smart devices enabling remote monitoring.

Our efforts to date have been devoted to securing the intellectual framework around several key technologies and applications related to remote video monitoring, video analytics and software enabled camera. Advances in wireless technologies combined with increased data speed rates permits a very sophisticated and new means of monitoring, security and entry management.

We are planning to brand our smart technology "EyeTalk®". EyeTalk® will include smart camera technology that allows interactive two-way communication between a smart phone and other handheld device. Unlike many IP cameras that simply produce and transmit an image, the EyeTalk® smart camera technology will have embedded capabilities that distinguish it as a significant technological advancement over traditional camera systems.

We previously funded our operations through three private offerings in 2005, 2007 and 2009. We also borrowed \$307,500 from four non-related parties at 4% interest to fund ongoing operations, and new patent applications. These promissory notes began to become due in October 2008 and were repaid in November 2008 by issuing 630,811 shares of restricted common stock from authorized shares.

In July and August 2009, we issued two notes payable in the total amount of \$20,000. The two notes were later combined at the note holder's request into one note. The note bears interest at a rate of 10%. Principal and interest were due in May 2010. In 2009, our Board of Directors agreed to guarantee a personal loan to the President of our company, Mr. Ron Carter, of \$75,000 with interest of 10%, by a shareholder. On October 5, 2010, we received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for the note that was in default as of May 2010. On January 7, 2011, the note holder amended the filing to include the personal loan. The amount of the claim was \$100,996, plus interest at 8% and legal costs. On the 10<sup>th</sup> day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and our company. On the 4<sup>th</sup> day of August 2011, we reached an agreement with a third party to negotiate and acquire the judgment award and to agree to a convertible note from our c for its services. The total value of the convertible note is \$144,066.76 including interest, of which we have received a promissory note from Mr. Carter for \$112,663.02 for the part of the judgment, interest and fees that was from the personal promissory note that we guaranteed.

In July 2010, we partnered with US Financial and Rainco Industries to consult in Investor Relations, provide introduction to institutional investors, assist with Mergers and Acquisitions, and to help develop a strategy to fund our growth. As a result of this partnership, we resolved additional debt obligations. In November 2011, we terminated our association with US Financial only and retained the relationship with Rainco Industries.

In July of 2011, we engaged SIS Development Inc. to direct the development of this state of the art system. SIS Development, Inc. offers highly specialized, wing-to-wing commercial OEM product development services. SIS Development has an extensive track record of high volume product and software successes in Fortune 100 and startup environments alike. We currently hold seven (7) patents. Six of our patents provide very broad and substantial claims related to wireless camera use and interface with peripheral devices. An additional patent provide claims to the use of wireless technologies in a child's car seat enabling two way remote communication, gaming applications and various sensor alerts. We plan to implement a variety of commercialization strategies ranging from development to licensing to generate revenue and to capitalize on the opportunities made possible by the wave of new wireless products in the market place.

In the last quarter, we completed the acquisition of Greenwood Finance Group, LLC. Our company and Rainco Industries, Inc. entered into a Member Interest Purchase Agreement, (the "Purchase Agreement") dated as of December 7, 2012, in which we purchased from Rainco Industries, Inc. all the issued and outstanding member interests in Greenwood Finance Group, LLC. ("Greenwood"). With representatives in Atlanta and Charlotte, Greenwood is a private equity firm consisting of a team of individuals who understand the work that goes into developing businesses in their beginning stages. In addition to providing funding through their Green Path Fund, Greenwood provides consultation services to help business leaders' map out plans and goals for continued success. Greenwood provides broad-spectrum investment and capital services to small-cap and micro-cap companies; strategically positioning them for long-term growth and profitability. Greenwood delivers, through their global network of investment partners and private equity groups, the capabilities to quickly tailor funding solutions that meet the unique needs of each client which can be tailored to a client's capital funding needs so it can focus on growing the client's company.

On February 7, 2013 we engaged the services of a highly skilled individual with an impressive history in investment banking and deal structuring, including patent and licensing to Fortune 500 companies. Through this engagement, monetization opportunities being examined are with hardware manufacturers, service providers, software developers and end solution resellers in the security, monitoring, and communication industries. Various types of monetization methods are being examined in each of these categories. We believe extensive opportunities exist from both existing technologies in the marketplace that are governed by these patents and others coming to market in the near future that would benefit tremendously from the protection and exclusivity that our patents would provide. We also believe these opportunities are not at risk from an immediate time element due to the fact the awarded patent rights being pursued and the market protections seeking to be monetized are unique and cannot be duplicated.

Our joint venture agreement with IQMagine continues to advance, with the recently received patent for a child car seat with a built in monitor for gaming and two-way communication (Patent No. 8,016,676). The proof of concept and ideation of this product have been completed as well as an additional item - consisting of a plush toy capable of monitoring and two-way communication. Chris Scheppegrell, managing member of IQMagine is implementing a strategy for licensing of both products.

Table of Contents

**Introduction to the EyeTalk® Communicator**

We have invested in the IP for several commanding wireless concepts enabling remote monitoring and efficient and effective security and entry management. The brand being established for our company's IP is "EyeTalk®". EyeTalk® will provide users the ability to remotely and interactively monitor, manage and communicate through a smart camera designed to interface with iPhone, Androids and other smart devices.

EyeTalk® will represent a new generation of camera technology with capabilities never considered before. Embedded processors and software will give EyeTalk® a very versatile platform to operate upon unlike any camera designed to date. Smart camera technology is cutting edge and unprecedented. Its possibilities are limited by imagination alone. The software platform may help assure legacy capabilities via upgrades and advancements.

EyeTalk® is being designed as primarily a smart camera technology supported by a software platform with a hardware component of an external unit deployed at a chosen location. The system's embedded processor will facilitate communication between the camera and the person triggering its activation and/or the designated users of the system. The smart capabilities of the system will allow for a live exchange between the end users and the person that triggered the camera or the camera will independently manage an activation on its own. Interface with the EyeTalk® system is being designed to be achieved via an iPhone, Android, Personal Data Assistant (PDA), Handheld Computer (HC), Smart phone, or other compatible device.

Current solutions for home security provide very marginal results and in many cases are ineffective and present a tremendous burden to municipalities because of the extremely high rate of false alarms. The EyeTalk® system will utilize smart technology to synergistically improve communication, security, convenience, messaging, and manage deliveries and guest. As a by-product, the system will also support the need for verification of emergency situations that now cripple many municipalities across the nation burdened with the incidence of false alarms. The EyeTalk® system will provide a means of owner verification prior to the triggering of an alarm.

Advances in wireless technology make it possible now to not only view events in and around a location, but also to record and/or initiate other actions that will serve as a better solution to entry management and security. Revolutionary Concepts has invested heavily in this area over the years and the returns on the company's investment are coming to bear. All related patents have now issued providing tremendous strength and latitude to the area of wireless monitoring.

Another major application for the EyeTalk® technology will address the growing need to monitor the elderly and aging population. Features of the EyeTalk® smart camera technology not found in basic IP cameras will allow advanced monitoring capabilities and address a significant demand on the horizon as baby boomers become seniors. Also, as a medical application, the EyeTalk® technology could provide remote monitoring of patients and family

members. The system is planned to incorporate fall prevention technology and offer a remote fall detection technology.

Additionally, the ability to monitor loved ones who may be many miles away will be another feature of the EyeTalk® system.

Additional patents are pending that offer very relevant and effective solutions for entry management in schools, universities, institutions, government buildings and other facilities requiring entry screening.

EyeTalk® is a brand that will establish itself as an industry leader as Revolutionary Concepts integrates its unique portfolio of technical solutions into the market place. The seeds that were planted over the years are coming to harvest and the alignment with wireless advances is almost perfect.

#### **Preemption, Prevention and Protection –**

Why EyeTalk®? EyeTalk® is a disruptive technology that will, we contend, create a shift in the way security and entry management is conducted. EyeTalk® could have the ability to cause an impact in a mega industry. EyeTalk®, we believe, will offer capabilities like never before, and it will be efficient, effective and appropriate. Unlike systems in the market place that are responsive and reactive such as alarms that sound when there is a break-in or systems that monitor your home from the inside, EyeTalk® is being designed for the outside to be preemptive, preventative and protective, by providing detailed information to the owner the moment someone is on a property. A better solution is one that begins before a break in or an invasion. The ability to address a situation before it takes place is a much better solution. The ability to engage a person, to alert a person that their presence is acknowledged, and to verify a potential emergency before an event occurs is within EyeTalk®s capabilities. The EyeTalk® systems are being designed to be triggered and activated by an array of inputs such as motion, biometric sensors, metal detection underground fiber optic sensors, etc. When the system is activated by a trigger, it will be programmed to provide standard greetings, directives, commands, etc. The EyeTalk® could then notify designated personnel of the triggering event, sending images of the current situation and permitting audible responses and real time monitoring

The smart camera features planned could enable the system to talk independently and future generations of the technology could be equipped with voice recognition, a feature some would call artificial intelligence; we would like to refer to it as real intelligence.

Another key feature of the technology is that it will serve as a crime deterrent via the video evidence EyeTalk® would produce. The value of video in legal proceedings will help support prosecutions and crime reduction.

EyeTalk® is conceived as a very versatile technology and its offerings will be very broad and comprehensive as an entry management device. From monitoring children arriving home safely from school, to verifying and receiving deliveries, to responding to service appointments, etc. the EyeTalk® technology represents a leap forward in the way we manage a variety of day to day activities.

Our management expects to compete by emphasizing the unique aspects of the EyeTalk® technology in marketing directly to distributors and end users. We also intend to compete by direct contact with larger end users such as hospitals, banks, and government agencies concerned with homeland security and plans to fully explore all licensing opportunities that may arise.

As with many development stage companies, we are currently considered to be in unsound financial condition. Our auditor has expressed substantial doubt about our ability to continue as a going concern. Persons should not invest unless they can afford to lose their entire investments. We currently have a negative net worth, extremely limited cash and had net losses of \$(237,757) at March 31, 2013. We had accumulated deficits to our stockholder's equity of \$(13,189,363) as of March 31, 2013. Further, we may incur significant losses through 2013 and beyond, as it further develops and attempts to commercialize the remote network camera video system.

As of March 31, 2013, the Company had 355,079,460 shares of its common stock issued and outstanding.

### **Corporate Information and History**

The Company was founded in 2004 as Revolutionary Concepts, Inc., a North Carolina corporation and its subsidiary, D.V.M.S., LLC for the purpose of developing a network camera video device. We reincorporated in Nevada in February 2005 as Revolutionary Concepts, Inc. .

Our principal executive offices are located at 13850 Ballantyne Corporate Place, Suite 500, Charlotte, NC 28277. Our telephone number is 980-225-5376. Our President is Ronald Carter. We maintain a corporate website at [www.revolutionaryconceptsinc.com](http://www.revolutionaryconceptsinc.com). The contents of our website are not part of this annual report and should not be relied upon with respect to the annual report or incorporated by reference.

To date, our efforts have been largely devoted to developing our corporate structure, supporting investor relations and seeking patent protection around verticals of the core system. We are currently focused on the development stage now that the supporting technologies for the EyeTalk® system have emerged. We are actively involved in infringement review and identifying possible licensing opportunities. Product development remains a key goal of our company as well; however, it may or may not be as practical as once considered. We are exploring whether or not product development may be accomplished via licensing.

On February 7, 2013 we engaged the services of a highly skilled individual with an impressive history in investment banking and deal structuring, including patent and licensing to Fortune 500 companies. Through this engagement, monetization opportunities being examined are with hardware manufacturers, service providers, software developers and end solution resellers in the security, monitoring, and communication industries. Various types of monetization methods are being examined in each of these categories. We believe extensive opportunities exist from both existing technologies in the marketplace that are governed by these patents and others coming to market in the near future that would benefit tremendously from the protection and exclusivity that our patents would provide. We also believe these opportunities are not at risk from an immediate time element due to the fact the awarded patent rights being pursued and the market protections seeking to be monetized are unique and cannot be duplicated.

As indicated on several occasions by our CEO, very meticulous and thoughtful steps are underway in an attempt to canvas as much and as many markets as possible. The strength of the 6 patents are very significant and appropriate for the emerging devices and unfortunate threats the world faces. We hope to maximize the investment of time and carefully and diligently position ourselves within a very massive industry.

The Company's joint venture agreement with IQMagine continues to advance, with the recently received patent for a child car seat with a built in monitor for gaming and two-way communication (Patent No. 8,016,676). The proof of concept and ideation of this product have been completed as well as an additional item - consisting of a plush toy capable of monitoring and two-way communication. Chris Scheppegrell, managing member of IQMagine is implementing a strategy for licensing of both products.

(15)

Table of Contents

RESULTS OF OPERATIONS

**RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2013 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2012**

**Operating Expenses** We have not begun to generate revenue. Our total operating expenses for the three-month period ended March 31, 2013 decreased to \$149,858 from \$227,500 over the prior year period. This decrease is primarily attributable to a decrease in marketing expenses and professional fees.

**Net Loss.** Our net loss for the three-month period ended March 31, 2013 decreased to \$(237,757) from \$(243,480) over the prior year period. This decrease is primarily attributable to an increase in loss on derivatives and interest expense offset by decreases in operating expenses.

**Assets.** Assets increased by \$17,189 to \$153,686 as of March 31, 2013, from \$136,497 as of December 31, 2012 and by \$23,548 as of March 31, 2012. This increase is primarily due to an increase in patent costs and prepaid expenses offset by an increase in depreciation and amortization.

**Liabilities.** Total liabilities increased by \$215,075 to \$2,573,918 as of March 31 2012, from \$2,358,843 as of December 31, 2012. Total liabilities were \$1,810,347 for the quarter ended March 31, 2012. The increase is attributable to the increase in current liabilities primarily related to our notes that have derivative liabilities offset by a decrease in long term debt.

**Stockholders' Equity (Deficit).** Stockholders' deficit increased by \$197,886 to \$(2,420,232) as of March 31, 2013 from \$(2,222,346) as of December 31, 2012. Stockholders' equity was \$(1,680,209) for the period ended March 31, 2012. The first quarter decrease was due primarily to the net loss of \$(237,757) offset by an increase in common stock issued and additional paid in capital related to the issuance of stock for reducing notes payable and accrued expenses and accounts payable.

Liquidity and Capital Resources

**General.** Our primary sources of cash have been sales of common stock through private placements and loans from affiliates. We are a developmental stage company moving from Research and Development ("R & D") to the initial stages of development. The transition from R & D to development and production requires a greater focus on operations, product infrastructure, distribution and channel partners and industry alliances. Over the next 6 - 12 months, we will be looking for the ideal acquisitions that will enable our company to take advantage of an existing customer base. Our management will also pursue appropriate Letter of Intent and Joint Ventures that will position our company to move its products into these ventures when successful production is completed.

Prior relationships with companies discussed in previous filings have been terminated. We are not involved with any of those companies that were very instrumental during the Research and Development stages, but are no longer engaged. We have engaged SIS Development as consulting technical officials for product development. SIS Development will assist RCI in identifying the necessary contracts and relationships moving forward. Additionally, industry expertise and consultation is being provided by advisors in the industry.



Overall, we had no change in cash for the three month period ended March 31, 2013 compared to the same prior year period.

**Cash Flows from Operating Activities.** Net cash used in operating activities of \$(54,908) for the three-month period ended March 31, 2013 is attributable to net operating loss of \$(237,757) and increase in other assets of \$15,593, offset by an increases in accounts payable and accrued expense and other liabilities of \$142,818, depreciation and amortization of \$1,499, amortization of debt discount of \$26,520 and losses on derivative liabilities of \$27,604.

**Cash Flows from Investing Activities.** Cash used in investing activities for the three-month period ended March 31, 2013 was \$(3,095).

**Cash Flows from Financing Activities.** Net cash provided by financing activities of \$46,611 for the three-month period ended March 31, 2013 is attributable to the decrease in unpaid capital contributions of \$805 and a decrease in notes payable and debt of \$27,892 an increase in issuance of stock for retirement of debt of \$16,500 and the issuance of notes payable of \$58,808.

### **Our Company's Capital Structure**

In its efforts to grow and expand our company, management must obtain the necessary capital to achieve those objectives, decide on the best methods to obtain that capital, and retain the capital structure of our company. The primary ways a company will raise capital is either through debt financing (borrowing money), or equity financing (selling a portion of the company via shares of stock) or a combination of both. The type of capital chosen (debt or equity), and methods of raising the capital depend on a number of factors including; the company's life cycle stage, e.g., start-up, development, high-growth or maturity, future growth prospects, strength of the national economy and the credit markets.

Potential investors in any company, including ours, will consider those factors and the relative risks to their investment capital. To limit their risks, these investors may limit the size of their investment, or provide it to the company in stages, that is contingent upon the company reaching stated goals e.g., production, marketing, distribution and revenues. The ultimate question for management is; how do you get the investors to commit to making what could be a high risk investment for them, although one that would correspondingly benefit the company, however one that the investor could lose if the company were to fail. Management considered both the equity and the debt financing options based on our life cycle stage, economy, credit markets and other circumstances at the time, and reached the following conclusions;

**Equity Financing** - Management decided not to raise additional capital through an equity offering in its initial start-up and development stage for a variety of reasons;

(1) The Company would have had to go through the process of filing a registration statement e.g. S-1 with the SEC, which would have required expenditures and resources with no assurances of receiving expeditious approval and would have been very time consuming, given our situation at that time.

## Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

- (2) The direct and indirect flotation costs of the issuance of an equity capital raise could have run \$250,000 or more, and the Company did not have those funds available.
- (3) It would have been very difficult to get an investment banker to underwrite a new issuance for a development stage company with a limited operating history and revenues.
- (4) Many investors did not want to take an equity position in the Company at that time and the corresponding risks of ownership.
- (5) The issuance of equity to these investors, after resolving the potential regulatory challenges, legal issues, time constraints, and costs would have resulted in immediate dilution for the other shareholders, giving them only limited hopes that value would be created.

Therefore, due to the above stated reasons, the economic climate and the Company's circumstances at that time, management elected not to pursue raising capital through an equity offering at that time.

**Debt Financing** – Management elected to raise capital for the Company through debt financing for the following reasons;

- (1) Due to the Companies need for further development of our patents, it had immediate and continuous need for capital.
- (2) The investors were more willing to invest funds more expeditiously, and take a creditor's position instead of that as an owner by taking an equity position.
- (3) With those immediately available funds, management could continue to develop our technology and create short-term economic value to the Company by contracting with various vendors for work, prior to any equity dilution taking place.
- (4) The investors were issued Promissory Notes that were unsecured without any collateral (taking a high risk), except as called for in the agreements.
- (5) The Notes required no monthly payments which allowed us to use that free cash flow for operating expenses, reduced our cash outlays, interest payments and improve our budget, plans and forecast our cash flow.
- (6) The investors received the potential upside of conversion of the Notes into equity while protecting our downside with the use of the cash flow.
- (7) Should the investors decide to convert the Notes into common stock, then the Company's debt would be eliminated from its balance sheet.
- (8) The tax benefits of debt financing is that it's less expensive, while the Company is taxed on earnings, it is not generally taxed on borrowed money and the interest on the Notes is tax deductible.
- (9) Since the investors do not have any equity interests, it has no voting rights or other control over the management of the Company, its operations and no claim to its future earnings.
- (10) If the Company ever suffers a negative financial situation, it is much easier to re-negotiate the terms of the Notes with the individual investors than with a bank, or a group of investors through an equity or bond offering.

Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

Based on the reasons above, and since we required immediate capital to rapidly expand, grow, restructure its operations, continue development, finance potential acquisitions, and execute its marketing plans; raising capital through debt financing, we believed, was our best alternative. This strategy resulted in our expanding our technology patents; thereby, increasing our potential assets, market capitalization value and our shareholders owning a portion of a much larger and more valuable company. As we continue to advance and develop through the different stages of our business life cycle, management will evaluate options, alternatives, and make strategic decisions for the best investment opportunities, financing and capital structure at that time.

(16)

Table of Contents

***Debt***

In its efforts to expand and grow, we issued debt instruments to borrow funds from various creditors to raise capital. These are long-term Notes with various rates and maturities, that grants the Note Holder the right, (but not the obligation), to convert them into shares of our common stock in lieu of receiving payment in cash. The issued Notes are secured obligations. The principal amount of the Notes may be prepaid upon agreement of both parties and a prepayment penalty, in whole or part at any time, together with all accrued interest upon written notice.

Our management believes that there are a number of benefits when issuing debt versus issuing equity capital. The interest paid on debt capital is tax exempt; hence, our loan costs are lowered. Outside of their contractual debt documents, creditors have no control in the conduct of the business, so by issuing debt capital, we do not dilute the ownership rights of our shareholders (unless and until any debt is converted into equity). Also, as the interest rates are predetermined, the management is able to budget for the payments. Generally, debt is less costly and the time involved to be able to raise the capital is shortened. In many cases, raising capital through equity requires regulatory approval, which can take months and is dilutive to all shareholders.

**2012**

On January 2, 2012, we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$57,000 at 10% interest. The holder has the right to convert the note to common stock at \$0.015 per share..

On January 31, 2012, we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$28,000 at 12% interest. The holder has the right to convert the note to common stock at \$0.005 per share.

On February 6, 2012, the Board of Directors approved a request for an adjustment to the conversion price of a Long Term Note dated April 30, 2011 for \$76,194 from \$0.005 to \$0.0022.

On February 29, 2012, we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$5,000 at 12% interest. The holder has the right to convert the note to common stock at \$0.005 per share.

On March 22, 2012, we completed a partial conversion of one of its Notes payable dated April 30, 2011, with a principal amount of \$76,194. A total of \$26,000 worth of the Note was converted, and 11,817,900 common shares were issued for that part of the conversion, which leaves a remaining balance of \$50,194 of the principal of the Note. No accrued interest was paid on the Note upon conversion. This conversion of debt reduced our Long Term Notes payables by \$26,000.

On March 22, 2012, we issued 159,000 restricted common shares for professional services provided to us and expensed in 2011. The issuance will reduce our accounts payable by \$4,990.

On March 30, 2012, we completed a conversion of one of its Notes payable to one of our Officers and Directors Mr. Solomon Ali, dated October 1, 2011, with a principal amount of \$46,154. The Note was converted, and 9,230,768

## Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

common shares were issued for the conversion, No accrued interest was paid on the Note upon conversion. This conversion of debt reduced our Long Term Notes payables by \$46,154.

On March 30, 2012, we completed a conversion of one of its Notes payable to one of our Officers and Directors, Mr. Ronald Carter, dated October 1, 2011, with a principal amount of \$92,308. The Note was converted, and 18,461,544 common shares were issued for the conversion, No accrued interest was paid on the Note upon conversion. This conversion of debt reduced our Long Term Notes payables by \$92,308.

On March 30, 2012, we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$70,000 at 12% interest. The holder has the right to convert the note to common stock at \$0.005 per share.

### **2013**

On January 17, 2013, we entered into a nine (9) month convertible Promissory Note with a non-related creditor for \$42,500 at 8% interest. The holder has the right to convert the note to common stock at 50% of the then current market prices.

On February 28, 2013, we entered into a three (3) year convertible Promissory Note with a non-related creditor for \$12,898 at 12% interest. The holder has the right to convert the note to common stock at \$0.003 per share.

On March 30, 2013, we entered into a three (3) year convertible Promissory Note with a non-related creditor for \$3,410 at 12% interest. The holder has the right to convert the note to common stock at \$0.002 per share.

The investors and private equity firms are very astute and have many years of experience and expertise in making successful investments in many companies. They have been investing with our company for several years, and have provided us with critical short and long-term funds that we have used for operations, working capital, and investment capital for our business acquisitions to expand and grow our Company. They have the option to convert their Notes into stock after a six month holding period in accordance with exemptions provided pursuant to the federal and state securities rules and regulations. . However, most have elected to hold their Notes for 1 to 3 years and therefore have taken a long-term investment strategy in our company. Without their continuous long-term commitment to investment in our company, it is unlikely that the growth and expansion that we have achieved would have been possible.

(17)

## Table of Contents

### Recent Accounting Pronouncements

Management has reviewed all recently issued, but not yet effective, accounting pronouncements and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its consolidated financial condition or the consolidated results of our operations.

In July 2012, the FASB issued ASU No. 2012-02, “*Testing Indefinite-Lived Intangible Assets for Impairment*”. The guidance allows companies to perform a “qualitative” assessment to determine whether further impairment testing of indefinite-lived intangible assets is necessary, similar in approach to the goodwill impairment test.

ASU 2012-02 allows companies the option to first assess qualitatively whether it is more likely than not that an indefinite-lived intangible asset is impaired, before determining whether it is necessary to perform the quantitative impairment test. An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not that the asset is impaired. Companies can choose to perform the qualitative assessment on none, some, or all of its indefinite-lived intangible assets or choose to only perform the quantitative impairment test for any indefinite-lived intangible in any period.

ASU 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The Company is in the process of evaluating the guidance and the impact ASU 2012-02 will have on its consolidated financial statements.

In August 2012, the FASB issued ASU 2012-03, “Technical Amendments and Corrections to SEC Sections: Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin (SAB) No. 114. , Technical Amendments Pursuant to SEC Release No. 33-9250, and Corrections Related to FASB Accounting Standards Update 2010-22 (SEC Update)” in Accounting Standards Update No. 2012-03. This update amends various SEC paragraphs pursuant to the issuance of SAB No. 114. The adoption of ASU 2012-03 is not expected to have a material impact on our financial position or results of operations.

In October 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2012-04, “Technical Corrections and Improvements” in Accounting Standards Update No. 2012-04. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification.

These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will be effective for fiscal periods beginning after December 15, 2012. The adoption of ASU 2012-04 is not expected to have a material impact on our financial position or results of operations.

### **Additional Information**

We file reports and other materials with the Securities and Exchange Commission. These documents may be inspected and copied at the Commission’s Public Reference Room at Room 1580, 100 F Street, N.E., Washington, D.C. 20549. You can obtain information on the operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. You can also get copies of documents that we file with the Commission through the Commission’s

Internet site at [www.sec.gov](http://www.sec.gov).

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Not Applicable.

### **Item 4. Controls and Procedures**

As of the end of the period covered by this report, Revolutionary Concepts, Inc. management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that such disclosure controls and procedures are effective in alerting them on a timely basis to material information relating to Revolutionary Concepts required to be included in Revolutionary Concepts' periodic filings under the Exchange Act.

#### **Evaluation of Disclosure Controls and Procedures.**

Our principal executive officer and our principal financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as such term is defined under Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of the last day of the fiscal period covered by this report, March 31, 2013. The term disclosure controls and procedures means our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of March 31, 2013.

#### **Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

**PART II - OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

For several years, RCI has been engaged in litigation against its former patent attorneys for malpractice arising from a missed filing deadline relating to obtaining patents for RCI's core technologies outside the United States. After a two-year fight over jurisdiction in the case, including wins for RCI at the trial court and at the North Carolina Court of Appeals, the case was remanded to the trial court for further proceedings. Unfortunately, the trial court dismissed the case on a technicality, potentially ending the case. An appeal was filed in November 2012. The North Carolina Court of Appeals reviewed the Company's appeal on February 12, 2013. The results of the appeal were filed on May 7, 2013. The Court of Appeals reversed the dismissal in part. The Court ruled that tort claims are not assignable in North Carolina, therefore, the plaintiff in the case will remain Ron Carter. The fact that RCI was dismissed is not really significant at all, because the claims in the suit will be maintained and the case lives on. The court also affirmed that the uninvolved individual defendants, Clements and Bernard, are not individually liable for Dougherty's and Brockington's malpractice which is somewhat irrelevant.

The Company also sued Emmanuel Ozoeneh in federal court. Mr. Ozoeneh was a former business partner in a prior business venture with our CEO Ron Carter. Mr. Ozoeneh began making false claims that he was the inventor of the EyeTalk® system. RCI filed suit in federal court to have Mr. Carter declared the sole inventor. This case has been resolved to the satisfaction of the Company. The terms of the agreement are confidential, but the result was that Ronald Carter and the Company were declared as the sole inventor and retains all rights to the patent(s) for the EyeTalk® system. The Company is currently in default on the agreement and is working to resolve the default.

In July and August 2009, the Company issued two notes payable in the total amount of \$20,000. The two notes were later combined at the note holder's request into one note. The note bears interest at a rate of 10%. Principal and interest were due in May 2010. In 2009, the Board of Directors agreed to guarantee a personal loan to the President of the Company, Mr. Ron Carter of \$75,000 with interest of 10%, by a shareholder. The note became due in November 2010. On October 5, 2010, the Company received notice that a claim for judgment had been filed in Mecklenburg County by a shareholder for the note that was in default as of May 2010. On January 7, 2011, the note holder amended the filing to include the personal loan. The amount of the claim was \$100,996, plus interest at 8% and legal costs. On the 10<sup>th</sup> day of May 2011, a summary judgment was entered on behalf of the plaintiff against Mr. Carter and the Company. On the 4<sup>th</sup> day of August 2011, the Company reached an agreement with a third party to negotiate and acquire the judgment award and to agree to a convertible note from the Company for its services. The total value of the convertible note is \$144,067 including interest, of which the Company has received a promissory note from Mr. Carter for \$112,663 for the part of the judgment, interest and fees that was from the personal promissory note that the Company guaranteed.

**ITEM 1A. RISK FACTORS**



You should carefully consider the following risk factors together with the other information contained in this Interim Report on Form 10-Q, and in prior reports pursuant to the Securities Exchange Act of 1934, as amended and the Securities Act of 1933, as amended. If any of the risks factors actually occur, our business, financial condition or results of operations could be materially adversely affected. There have been no material changes to the risk factors previously discussed in Item 1A of the Company's Form 10-K for the year ended December 31, 2012, (SEC File Number 000-53674) on the website at [www.sec.gov](http://www.sec.gov), including but not limited, to the following:

**The market price of our common stock may limit its eligibility for clearing house deposit.**

We are advised that if the market price for shares of our common stock is less than \$0.10 per share, Depository Trust Company and other securities clearing firms may decline to accept our shares for deposit and refuse to clear trades, in our securities. This would materially and adversely affect the marketability and liquidity of our shares and, accordingly may materially and adversely affect the value of an investment in our common stock.

**We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.**

We are an “emerging growth company,” as defined in the Jumpstart our Business Startups Act of 2012 or JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including not being required to comply with the auditor attestation requirements of section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. An “emerging growth company” can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

**We will incur increased costs and demands upon management as a result of complying with the laws and regulations that affect public companies, which could materially adversely affect our results of operations, financial condition, business and prospects.**

As a public company and particularly after we cease to be an “emerging growth company,” we will incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting and corporate governance requirements. These requirements include compliance with Section 404 and other provisions of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, as well as rules implemented by the SEC.

The increased costs associated with operating as a public company will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business. Additionally, if these requirements divert our management's attention from other business concerns, they could have a material adverse effect on our results of operations, financial condition, business and prospects.

However, for as long as we remain an “emerging growth company” as defined in the JOBS Act, we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our

## Edgar Filing: Revolutionary Concepts Inc - Form 10-Q

periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We may take advantage of these reporting exemptions until we are no longer an “emerging growth company.”

If the market value of our common stock that is held by non-affiliates exceeds \$700 million as of any June 30, we would cease to be an “emerging growth company” as of the following June 30, or if we issue more than \$1 billion in non-convertible debt in a three-year period, we would cease to be an “emerging growth company” immediately.

(19)

Table of Contents

**ITEM 2. UNREGISTERED SALES OF EQUITY AND USE OF PROCEEDS**

**2012**

On January 2, 2012, we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$57,000 at 10% interest. The holder has the right to convert the note to common stock at \$0.015 per share..

On January 31, 2012, we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$28,000 at 12% interest. The holder has the right to convert the note to common stock at \$0.005 per share.

On February 6, 2012, the Board of Directors approved a request for an adjustment to the conversion price of a Long Term Note dated April 30, 2011 for \$76,194 from \$0.005 to \$0.0022.

On February 29, 2012, we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$5,000 at 12% interest. The holder has the right to convert the note to common stock at \$0.005 per share.

On March 22, 2012, we completed a partial conversion of one of its Notes payable dated April 30, 2011, with a principal amount of \$76,194. A total of \$26,000 worth of the Note was converted, and 11,817,900 common shares were issued for that part of the conversion, which leaves a remaining balance of \$50,194 of the principal of the Note. No accrued interest was paid on the Note upon conversion. This conversion of debt reduced our Long Term Notes payables by \$26,000.

On March 22, 2012, we issued 159,000 restricted common shares for professional services provided to us and expensed in 2011. The issuance will reduce our accounts payable by \$4,990.

On March 30, 2012, we completed a conversion of one of its Notes payable to one of our Officers and Directors Mr. Solomon Ali, dated October 1, 2011, with a principal amount of \$46,154. The Note was converted, and 9,230,768 common shares were issued for the conversion, No accrued interest was paid on the Note upon conversion. This conversion of debt reduced our Long Term Notes payables by \$46,154.

On March 30, 2012, we completed a conversion of one of its Notes payable to one of our Officers and Directors, Mr. Ronald Carter, dated October 1, 2011, with a principal amount of \$92,308. The Note was converted, and 18,461,544 common shares were issued for the conversion, No accrued interest was paid on the Note upon conversion. This conversion of debt reduced our Long Term Notes payables by \$92,308.

On March 30, 2012, we entered into a two (2) year convertible Promissory Note with a non-related creditor for \$70,000 at 12% interest. The holder has the right to convert the note to common stock at \$0.005 per share.

**2013**

From January 7 through January 9, 2013, we received notices of partial conversion from an unrelated third party as part of a note originally issued on June 19, 2012. A total of \$16,500 and accumulated interest of \$1,100 was converted and 19,130,435 restricted common shares were issued, which leaves a remaining principal balance of \$0. This conversion of debt reduced our notes payables \$16,500.

On January 17, 2013, we entered into a nine (9) month convertible Promissory Note with a non-related creditor for \$42,500 at 8% interest. The holder has the right to convert the note to common stock at 50% of the then current market prices.

On February 28, 2013, we entered into a three (3) year convertible Promissory Note with a non-related creditor for \$12,898 at 12% interest. The holder has the right to convert the note to common stock at \$0.003 per share.

On March 30, 2013 we entered into a three (3) year convertible Promissory Note with a non-related creditor for \$3,410 at 12% interest. The holder has the right to convert the note to common stock at \$0.002 per share.

The offer and sale of such shares of our common stock were effected in reliance on the exemptions for sales of securities not involving a public offering, as set forth in Rule 506 of Regulation D promulgated under the Securities Act and in Section 4(2) of the Securities Act. A legend was placed on the certificates representing each such security stating that it was restricted and could only be transferred if subsequent registered under the Securities Act or transferred in a transaction exempt from registration under the Securities Act.

**ITEM 3. - DEFAULTS UPON SENIOR SECURITIES**

There were no defaults upon senior securities during the period ended March 31, 2013.

**ITEM 4. - MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. - OTHER INFORMATION**

There is no information with respect to which information is not otherwise called for by this form.

(20)

Table of Contents

**ITEM 6. EXHIBITS**

Exhibit No. Description

-----

3.1\* Articles of Incorporation

3.2\* Bylaws

4.1\* Form of Stock Certificate

4.2\* Form of Class A Warrant Certificate

4.3\* Form of Class B Warrant Certificate

4.4\* Warrant Agreement

10.1\* Agreement with Absolutely New

10.2\* Agreement with Dr. Jones

10.3\* Agreement with Tillman Wright

10.4\* Agreement with JDSL

10.7\* Consulting Agreement with Sedgefield Capital

10.8\* Additional Services Agreement with Sedgefield Capital

14.1\* Code of Ethics

31.1 Certification of our Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(filed herein)

31.2 Certification of our Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.( filed herein)

32.1 Certification of our Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.( filed herein)

32.2 Certification of our Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.( filed herein)

99.2\* US Patent

-----

\* Exhibits are incorporated by reference and can be found in its entirety in our Registration Statement on Form S-1 filed May 23, 2008 (SEC File Number 000-53674).

(21)

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf in Charlotte, NC, by the undersigned, thereunto duly authorized.

Registrant: **Revolutionary Concepts, Inc.**

Date            Name

May 17, 2013 *By: /s/ Ronald Carter*  
Ronald Carter  
Chief Executive Officer  
(Principal Executive Officer)

May 17, 2013 *By: /s/ Garry Stevenson*  
Garry Stevenson  
Director, Vice President, and Chief Financial Officer  
(Officer and Principal Accounting Officer)