

MIRENCO INC
Form 10-Q
May 15, 2009

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, 2009**

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
EXCHANGE ACT**

For the transition period from _____ to _____

Commission file number **333-41092**

Mirenco, Inc.

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

Iowa

(State or other jurisdiction of incorporation or
organization)

39-1878581

(IRS Employer Identification No.)

206 May Street, P.O. Box 343, Radcliffe, Iowa 50230

(Address of principal executive offices)

(515) 899-2164

(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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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 []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

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

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

Yes [] No []

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. Number of Common Shares outstanding at May 15, 2009: 31,136,597

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Cautionary Statement on Forward-Looking Statements.

The discussion in this Report on Form 10-Q, including the discussion in Item 2 of PART I, contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, estimates and projections about the Company's business, based on management's current beliefs and assumptions made by management. Words such as "expects", "anticipates", "intends", "believes", "plans", "seeks", "estimates", and similar expressions or variations of these words are used to identify such forward-looking statements. Additionally, statements that refer to the Company's estimated or anticipated future results, sales or marketing strategies, new product development or performance or other non-historical facts are forward-looking and reflect the Company's current perspective based on existing information. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results and outcomes may differ materially from what is expressed or forecasted in any such forward-looking statements. Such risks and uncertainties include those set forth below in Item 1 as well as previous public filings with the Securities and Exchange Commission. The discussion of the Company's financial condition and results of operations included in Item 2 of PART I should also be read in conjunction with the financial statements and related notes included in Item 1 of PART I of this quarterly report. These quarterly financial statements do not include all disclosures provided in the annual financial statements and should be read in conjunction with the Risk Factors and annual financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2008 as filed with the Commission on March 31, 2009. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

MIRENCO, Inc.
CONDENSED BALANCE SHEETS

ASSETS	March 31, 2009 (Unaudited)	December 31, 2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,655	\$ 93,608
Accounts receivable	84,954	72,015
Inventories	113,427	102,251
Prepaid expenses	1,546	1,546
Total current assets	202,582	269,420
 PROPERTY AND EQUIPMENT, net	 464,975	 473,382
 PATENTS AND TRADEMARKS, net	 13,696	 14,444
	\$ 681,253	\$ 757,246
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of note payable	\$ 39,512	\$ 45,111
Accounts payable	254,905	216,521
Accrued expenses	17,337	24,663
Due to officers	44,790	85,420
Other current liabilities	12,000	12,000
Dividends on preferred redeemable shares	2,674	2,406
Notes payable to related parties	10,000	10,000
Total current liabilities	381,218	396,121
 LONG TERM LIABILITIES		
Notes payable, less current portion	279,290	209,592
Shares subject to mandatory redemption	18,256	18,256
Total long term liabilities	297,546	227,848

STOCKHOLDERS' EQUITY

Preferred stock, \$.01 par value, 50,000,000 shares authorized		
no shares issued or outstanding	-	-
Common stock, no par value: 100,000,000 shares authorized,		
31,136,597 (2009) and 30,938,722 (2008) shares issued and outstanding	10,786,396	10,750,778
Additional paid-in capital	1,714,954	1,714,954
Accumulated (deficit)	(12,498,861)	(12,332,455)
	2,489	133,277
	\$ 681,253	\$ 757,246

See the accompanying notes to the financial statements.

MIRENCO, Inc.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Sales	\$ 112,111	\$ 201,744
Cost of sales	66,565	71,221
Gross profit	45,546	130,523
Salaries and wages	117,865	98,289
Non-cash compensation	-	26,006
Other general and administrative expenses	87,584	59,919
	205,449	184,214
(Loss) from operations	(159,903)	(53,691)
Other income (expense)		
Interest income	1	1
Interest expense	(6,504)	(11,400)
	(6,503)	(11,399)
NET (LOSS)	\$ (166,406)	\$ (65,090)

Net (loss) per share available for common shareholders - basic and diluted	\$ (0.01)	\$ -
Weighted-average shares outstanding - basic and diluted	31,011,411	27,401,174

See the accompanying notes to the financial statements.

MIRENCO, Inc.
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Cash flows from operating activities		
Net cash (used in) operating activities	\$ (155,052)	\$ (144,645)

Cash flows from investing activities			
Net cash (used in) investing activities		-	-
Cash flows from financing activities			
Principal payments on banks and others		(10,901)	(59,431)
Proceeds from long term borrowing		75,000	250,000
Net cash provided by financing activities		64,099	190,569
Increase (decrease) in cash and cash equivalents		(90,953)	45,924
Cash and cash equivalents, beginning of period		93,608	9,738
Cash and cash equivalents, end of period	\$	2,655	\$ 55,662
Supplementary disclosure of cash flow information:			
Cash paid during the quarter for interest	\$	6,504	\$ 11,400
Cash paid during the quarter for taxes	\$	-	\$ -
Non-cash financing activities:			
Common stock issued for notes payable and accrued interest payable to related parties	\$	35,618	\$ 52,012

See the accompanying notes to the financial statements.

MIRENCO, Inc.

NOTES TO CONDENSED FINANCIAL STATEMENTS

March 31, 2009

(Unaudited)

NOTE A BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information and Article 10 of Regulation S-X. They do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included.

The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. For further information, refer to the financial statements of the Company included in the Company's Form 10-K for the year ended December 31, 2008 as filed with the Commission on March 31, 2009.

NOTE B INVENTORY

Inventories, consisting of purchased finished goods ready for sale, are stated at the lower of cost (as determined by the first-in, first-out method) or market. In addition, we maintain a reserve for the estimated value associated with damaged, excess or obsolete inventory. The reserve generally includes inventory that has turn days in excess of 365 days, or discontinued items. At March 31, 2009 our inventory reserve amounted to \$54,323.

NOTE C - REALIZATION OF ASSETS

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. Net loss for the three months ended March 31, 2009 was \$166,406, and the Company had a working capital deficit of \$178,636 at March 31, 2009. The Company has incurred net losses aggregating \$12,498,861 from inception, and may continue to incur net losses in the future. If revenues do not increase substantially in the near future, additional sources of funds will be needed to maintain operations. These matters give rise to substantial doubt about the Company's ability to continue as a going concern.

Management and other personnel have been focused on product and service development in lieu of product marketing. The Company's management team has diligently explored several market segments relative to the Company's product and service lines. From that exploration, the Company has decided it is in its best interests to explore the use of existing, well-established distribution channels for marketing and selling the DriverMax product line. Management

also believes a large market exists for the Company's testing services and the information provided by those services, through the Company's business relationship with Wayne Supply, a Caterpillar dealer in Kentucky. This exclusive contract was announced in the Company's 8-K filing of January 15, 2009. A combination of the products and services has been developed as a long-term program for current and potential customers, particularly in regulated markets. Management will focus on the Company's efforts on the sales of products, services, and programs with sensible controls over expenses. Management believes these steps, if successful, will improve the Company's liquidity and operating results, allowing it to continue in existence.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

MIRENCO, Inc.**NOTES TO CONDENSED FINANCIAL STATEMENTS****March 31, 2009****(unaudited)****NOTE D – STOCKHOLDERS EQUITY**

During the three months ended March 31, 2009, the Company issued 197,875 shares of common stock at \$.18 per share, which were issued for debt to a related party in the amount of \$35,618.

In 2007, 50,000 options to purchase common stock at \$.25 per share were issued to an employee, also exercisable through January 31, 2014. Of these options issued to the employee, 10,000 options are fully vested as of the grant date, February 16, 2007, 20,000 options vested January 1, 2008, and the remaining 20,000 options vested January 1, 2009. The following summarizes the options outstanding at March 31, 2009:

COMMON STOCK OPTIONS

	Number of shares		Weighted- average exercise price per share
	Outstanding	Exercisable	
Outstanding, December 31, 2008	2,191,810	2,171,810	\$ 1.01
Granted	-	20,000	0.25
Exercised	-	-	-
Expired	-	-	-
Outstanding March 31, 2009	2,191,810	2,191,810	\$ 0.99

The following table summarizes information about options outstanding at March 31, 2009, under the Compensatory Stock Option Plan:

2008 Compensatory Stock Options and Warrants

Range of exercise prices	Options outstanding			Options exercisable	
	Number outstanding	Weighted-average remaining contractual life	Weighted-average exercise price	Number exercisable	Weighted-average exercise price
\$0.12-\$5.00	2,191,810	4.31	\$ 0.99	2,191,810	\$ 0.99

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MIRENCO, Inc.

NOTES TO CONDENSED FINANCIAL STATEMENTS

March 31, 2009

(unaudited)

NOTE E NOTES PAYABLE

Effective January 18, 2008, the Company obtained a line of credit that calls for maximum borrowings of \$301,500. The line bears interest at 8% per annum and is due January 18, 2018. As of the date of these financial statements, aggregate draws of \$275,000 have been made against the line of credit. Total payments of \$35,172 have been made on this line of credit as of March 31, 2009.

Notes payable consisted of the following at March 31, 2009:

	Total	Current Portion	Long-term Portion
Note payable to bank in monthly installments of \$3,659, including principal and interest at 8%	\$ 239,828	\$ 25,904	\$ 213,924
Note payable to bank in monthly installments of \$1,706, including principal and variable interest, currently 6.00%, guaranteed by stockholder, guaranteed by Small Business Administration	78,974	13,608	65,366
	\$ 318,802	\$ 39,512	\$ 279,290

NOTE F NOTES PAYABLE TO RELATED PARTIES

Notes payable to related parties consisted of the following at March 31, 2009:

Total	Current Portion	Long-term Portion
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Note payable to investor, 9% interest payable

quarterly, principal due in July, 2009	\$	10,000	\$	10,000	\$	-
	\$	10,000	\$	10,000	\$	-

NOTE G MAJOR CUSTOMERS

In the first three months of 2009, four major customers accounted for 97% of total sales. At March 31, 2009, four customers accounted for 94% of accounts receivable.

NOTE H EARNINGS (LOSS) PER SHARE

The Company calculates net income (loss) per share as required by Statement of Financial Accounting Standards (SFAS) 128, Earnings per Share. Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares and dilutive common stock equivalents outstanding. During periods in which the Company incurs losses, common stock equivalents, if any, are not considered, as their effect would be anti dilutive.

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MIRENCO, Inc.

NOTES TO CONDENSED FINANCIAL STATEMENTS

March 31, 2009

(unaudited)

NOTE I REDEEMABLE, CONVERTIBLE PREFERRED STOCK

In December 2006, Mirencos offered a minimum \$3,000 investment for 25,000 shares of its common stock at \$0.12 per share, plus 500 shares of convertible, redeemable preferred stock valued by the Company at \$1 per share. In connection with this offering, 23,256 shares of the convertible, redeemable preferred stock were issued, of which 5,000 were converted to 25,000 shares of common stock during the period ended September 30, 2007. Each preferred share is convertible at the holder's option, to five shares of the Company's common stock, and carries a cumulative 6% dividend rate through December 31, 2011. The preferred shares may be redeemed by the Company any time after December 31, 2009, and must be fully redeemed on December 31, 2011, together with all cumulative dividends in arrears. Accordingly, the preferred shares are presented as shares subject to mandatory redemption in the accompanying financial statements.

Item 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

General and Background

Mirencos, Inc. was organized and incorporated in the State of Iowa on February 21, 1997. We develop, market and distribute technologically advanced products, improving efficiencies in engine combustion and equipment application.

Mirencos also offers consultative services in evaluating diesel engines through its Mirencos Diesel Evaluation Procedure, MDEP, which consists of testing procedures, comparison to other engines on its proprietary data base and making recommendations for maintenance activities and/or application of Mirencos s proprietary technology.

Our primary products are derived from technology developed in the United States. They are D-Max, C-Max, EconoCruise and Fuel-Tracker.

In addition to products, Mirencos, Inc. offers consultative services with its Combustion Management Program called MDEP, Mirencos Diesel Evaluation Procedure.

MDEP consists of the evaluation of a diesel engine based on a comparison with like engines. An evaluation is completed by performing a modified SAE-J1667 as well as a MIR 120 Second Transient evaluation. Mirencos has developed an extensive database of evaluation results, for thousands of diesel engines, using these techniques.

From these results, Mirencos can evaluate the condition of an engine, determine commonalities among engine types, evaluate an entire fleet and recommend appropriate maintenance procedures for each specific vehicle. From these results, we can also make recommendations for appropriate engine service that will improve engine combustion.

Mirencos s MDEP has been successfully applied in the underground mining industry to reduce diesel particulate matter. This industry is under strict regulation from the Mining Safety and Health Administration (MSHA) to reduce particulate emissions for the safety of its workers health. Beginning in 2005, Mirencos introduced the combustion management program, MDEP, D-Max and C-Max products throughout the United States.

The Fuel-Tracker system was designed to meet our customers demand to accurately monitor fuel consumption for individual pieces of equipment. The Fuel-Tracker system uses a diesel engine s turbo boost pressure to correlate fuel consumption of the engine. With this system it is possible to provide basic fuel consumption information that many customers are looking for, as well as many other management tools. Data from the Fuel-Tracker system provides equipment productivity in percentage of horse power, equipment idle time, shut down time, location for each unit of fuel consumed and much more. Fuel-Tracker technology has proven to be an effective tool to manage equipment maintenance, productivity and operator efficiency.

(2) Marketing methods

Our strategy is to market and sell our products primarily through third party distributors and to a lesser extent through direct sales. For the 3 months ended March 31, 2009, sales through distributors accounted for 53% of our sales. As disclosed in an 8-K dated January 15, 2009, we have entered into a distributor agreement with Wayne Supply Company. We expect that Wayne will be the exclusive distributor for our Diesel Evaluation Procedure (MDEP),

Fuel Tracker, data base management and related services for off-road, heavy equipment and on-highway vehicles and equipment markets throughout the United States and Canada. We believe that our relationship with Wayne will bring value to MirencO by providing exposure to 60 Caterpillar dealers and their customers, across the US and Canada.

We have incurred annual losses since inception while developing and introducing our original products and focusing management and other resources on capitalizing the Company to support future growth. Relatively high management, personnel, consulting and marketing expenditures were incurred in prior years in preparation for the commercialization of our products. We expect distribution and selling expenses to increase directly with sales increases, however, as a percentage of sales, these expenses should decline. It is anticipated that general and administrative expenses may increase as our business expands.

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Liquidity and Capital Resources

As of March 31, 2009, the Company had total current assets of \$202,582 and current liabilities of \$381,218, resulting in a working

capital deficit of (\$178,637). The Company's available sources for generating cash for working capital have been through the issuance of common stock, preferred stock and notes payable and, eventually, we expect that working capital will be available through the development of profitable operations.

The Company's future capital requirements will depend on many factors, including expansion of our business; increased sales of both services and products, the cost of third-party financing, development of new revenue resources and administrative expense. We do not expect to expand our facilities during 2009.

Effective January 18, 2008, the Company obtained a line of credit that calls for maximum borrowings of \$301,500. The line bears interest at 8% per annum and is due January 18, 2018. As of the date of these financial statements, aggregate draws of \$275,000 have been made against the line of credit, and payments in the amount of \$35,172 have been made.

The following patent applications have been filed by Dwayne Fosseen and are currently pending in the patent office:

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Application 12/130,098 for Fuel Tracking System; filed May 30, 2008

The following patents have been issued, with ownership as described below:

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US Patent No. 6,845,314 for Method and Apparatus for Remote Communication of Vehicle Combustion Performance Parameters; Issued 1/18/2005; Valid until 12/12/2022 (assuming maintenance fees are paid); owned by Mirenc.

US Patent No. 6,370,472 for Method and Apparatus for Reducing Unwanted Vehicle Emissions Using Satellite Navigations; Issued 4/9/2002; Valid until 9/15/2020 (assuming maintenance fees are paid); owned by Mirenc.

US Patent No. 5,315,977 for Fuel Limiting Method and Apparatus for an Internal Combustion Engine; Issued 5/31/1994; Valid until 5/31/2011; owned by Dwayne Fosse, subject to a 1993 license to American Technologies, LC, which license was assigned by American Technologies to Mirenc in 1999.

US Patent No. 4,958,598 for Engine Emissions Control Apparatus and Method; Issued 9/25/1990; Valid until 10/10/2009; owned by Dwayne Fosse, subject to a 1993 license to American Technologies, LC, which license was assigned by American Technologies to Mirenc in 1999.

US Patent No 7,454,284 for Method and Apparatus for Remote Communication and Control of Engine Performance; Issued 11/24/2008; Valid until 2/25/2025; owned by Dwayne Fosse, subject to a 1993 license to American Technologies, LC which license was assigned by American Technologies to Mirenc in 1999.

We currently have filed for the trademark Mirenc. We currently own no other registered trademarks.

According to the terms of our agreement with American Technologies to acquire certain patent- rights, we have incurred a 3% royalty of annual gross sales for a period of 20 years, which began November 1, 1999.

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. Net loss for the three months ended March 31, 2009 was (\$166,406). The Company has incurred net losses aggregating (\$12,498,861) from inception, and may continue to incur net losses in the future. If revenues do not increase substantially in the near future, additional sources of funds will be needed to maintain operations. These matters give rise to substantial doubt about the Company's ability to continue as a going concern.

Management and other personnel have been focused on product and service development in lieu of product marketing. The Company's management team has diligently explored several market segments relative to the Company's product and service lines. From that exploration, the Company has decided it is in its best interests to explore the use of

existing, well-established distribution channels for marketing and selling the DriverMax product line. Management also believes a large market exists for the Company's testing services and the information provided by those services through the Company's business relationship with Wayne Supply, a Caterpillar dealer in Kentucky. This exclusive contract was announced in the Company's 8-K filing of January 15, 2009. A combination of the products and services has been developed as a long-term program for current and potential customers, particularly in regulated markets. Management will focus on the Company's efforts on the sales of products, services, and programs with sensible controls over expenses. Management believes these steps, if successful, will improve the Company's liquidity and operating results, allowing it to continue in existence.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

Results of Operations

Gross sales of \$112,111, including \$56,565 in product sales and \$55,546 in sales of services, were realized for the three months ended March 31, 2009 and were \$89,633 less than sales of \$201,744 for the same period one year ago. Product sales in the first quarter of 2008 were sold at retail price versus at dealer price in the first quarter of 2009.

This difference in price is the result of our exclusive contract with Wayne Supply. This contract was disclosed in our 8K, date January 15, 2009. Cost of sales for the three months ended March 31, 2009 also includes employment expense for our MDEP reporting services. Prior to 2009 these expenses were included in salary expense. Cost of sales for the three months ended March 31, 2009 was \$66,565 resulting in gross profit of \$45,546, as compared to \$130,523 for the prior year, a net decrease in gross profit of \$84,977. This decrease is due primarily to fewer sales compared to the sales over the same period in the prior year. In the three months ended March 31, 2009, \$47,821 of employment costs were included in Cost of Sales compared to \$36,528 in the corresponding period in the prior year. Salary expense for the three months ended March 31, 2009 was \$117,865 compared to \$124,295 in the corresponding period in the prior year. After accounting for the employment costs included in cost of sales, salaries decreased by \$37,605. A total of 11 full-time individuals were employed with the Company at March 31, 2009 compared to a total of 10 full time employees at March 31, 2008.

The Company has incurred net losses aggregating \$12,498,861 from inception, and may continue to incur net losses in the future.

A comparative breakdown of Other general and administrative expenses per the Statements of Operations included in PART I Item 1 above is as follows:

Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
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Royalty	\$	3,363	\$	5,620
Advertising		20		20
Depreciation and amortization		9,156		6,371
Insurance		11,914		11,488
Professional fees		39,994		5,741
Office expenses		10,056		14,450
Travel		2,649		2,918
Utilities		10,432		13,311
Total general and administrative expenses	\$	87,584	\$	59,919

1.

Royalty expense is proportional to sales and is based on sales of products, services and rights pursuant to the contractual agreement with American Technologies. Under this agreement American Technologies assigned to Mirenc, Inc. its rights to use patents owned by Dwayne Fosseen and previously assigned to American Technology. The royalty is based on 3% of sales of products and services related to those patents beginning November 1, 1999 for a 20 year period.

2.

Advertising expense for the three months ended March 31, 2009 remained the same over the same period in the prior year.

3.

Depreciation and amortization expense increased \$2,785 from the corresponding period in the prior year primarily because new computer equipment was purchased.

4.

Insurance expense for the three months ended March 31, 2009 remained consistent with the expense from the corresponding period in the prior year.

5.

Professional fees expense increased \$34,253 due to increased legal/accounting fees.

6.

Office expense for the three months ended March 31, 2009 decreased \$4,394 from the corresponding period in the prior year primarily due to efforts to try to reduce spending.

7.

Travel expense for the first three months of 2009 remained consistent with travel expense for the first three months in the prior year.

8.

Utilities expense for the first three months of 2009 decreased \$2,879 compared to utilities expense for the first three months in the prior year primarily due to efforts to reduce costs.

Interest expense for the three months ended March 31, 2009 and 2008 was \$6,504 and \$11,400, respectively, a decrease of \$4,896, primarily due to decrease in interest and penalties associated with debt in the prior year.

We use estimates in the preparation of our financial statements. The estimates used, relate to the valuation of receivables and the useful lives of equipment and patents. Since our receivables consist of larger individual accounts, we elect to use the direct write off method for those accounts that are deemed to be uncollectible. We believe there is no material difference in this method from the allowance method. There have been no accounts written off in 2009. If it is determined that potential losses of a material amount in receivables are likely, the allowance for doubtful accounts method will be adopted. No such allowance is considered to be required at this time. If it were determined that the depreciated cost of its equipment and the amortized cost of its patents exceeded their fair market value, there would be a negative impact on the results of operations to the

extent the depreciated and amortized cost of these assets exceeded their fair market value.

The carrying value of long-lived assets is reviewed on a regular basis for the existence of facts and circumstances that suggest impairment. During the first three months of 2009, no material impairment has been indicated. Should there be an impairment in the future, the Company will measure the amount of the impairment based on the amount that the carrying value of the impaired assets exceed the undiscounted cash flows expected to result from the use and eventual disposal of the impaired assets.

We account for equity instruments issued to employees for services, based on the fair value of the equity instruments issued and account for equity instruments issued to other than employees, based on the fair value of the consideration received or the fair value of the equity instruments, whichever is more reliably measurable.

We outsource the production of our DriverMax products to ICE Corporation of Manhattan, Kansas. If, for some reason, the relationship between the Company and ICE Corporation should be interrupted or discontinued, the operations of the Company could be adversely affected until such time as an alternative supply source could be located, contracted and begin producing our technology. Such an event could materially affect our results of operations. We continue to review our relationship with this single source and believe there is no need for an alternative source at this time. As sales of product grow we will continue to review the need for alternative sources.

Item 4T.

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.* Our Chief Executive Officer and Principal Financial Officer evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures are 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 under the Exchange Act is accumulated and communicated to our management, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of March 31, 2009.

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system are met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

(b) *Changes in internal control over financial reporting.* There have been no changes in our internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Our management team will continue to evaluate our internal control over financial reporting throughout 2009.

PART II. OTHER INFORMATION

Item 1.

Legal Proceedings

None

Item 2.

Unregistered Sales of Equity Securities and Use of Proceeds

During the three months ended March 31, 2009, the Company issued 197,875 shares of common stock at \$.18 per share, which were issued for debt to a related party of \$35,618.

These securities were offered and sold without registration under the Securities Act of 1933 in reliance upon the exemption provided by Section 4(2) of the Securities Act, and may not be offered or sold in the United States in the absence of an effective registration statement or exemption from the registration requirements under the Securities Act. An appropriate legend was placed on the securities issued.

This Report on Form 10-Q is neither an offer to sell nor a solicitation of an offer to buy any of these securities. This portion of this report is being filed pursuant to and in accordance with rule 135c under the Securities Act.

Changes in shares outstanding during the first three months are summarized as follows:

Shares Issued

Aggregate Consideration
for New Shares Issued

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Shares outstanding January 1, 2009	30,938,722	\$	10,750,778
New shares issued for debt at \$0.18	197,875		35,618
Shares outstanding March 31, 2009	31,136,597	\$	10,786,396

During the three months ended March 31, 2009, the Company issued no options. In 2007, 50,000 options to purchase common stock at \$.25 per share were issued to an employee, also exercisable through January 31, 2014. Of these options issued to the employee, 10,000 options are fully vested as of the grant date, February 16, 2007, 20,000 options vested January 1, 2008, and the remaining 20,000 options vested January 1, 2009.

The following summarizes the options outstanding at March 31, 2009:

COMMON STOCK OPTIONS

	Number of shares		Weighted- average exercise price per share
	Outstanding	Exercisable	
Outstanding, December 31, 2008	2,191,810	2,171,810	\$ 1.01
Granted	-	20,000	0.25
Exercised	-	-	-
Expired	-	-	-
Outstanding March 31, 2009	2,191,810	2,191,810	\$ 0.99

Item 3.**Defaults upon Senior Securities**

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

(a) Exhibits

*31.1

Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Dwayne Fosseen, dated May 15, 2009.

*31.2

Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Glynis M. Hendrickson, dated May 15, 2009.

*32.1

Certification pursuant to, Section 906 of the Sarbanes-Oxley Act of 2002 for Dwayne Fosseen and Glynis M. Hendrickson, dated May 15, 2009.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MirencO, Inc.
(Registrant)

By: /s/ Glynis M. Hendrickson

Glynis M. Hendrickson

Chief Financial Officer

(Principal Financial Officer)

Date: May 15, 2009

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Dwayne Fosseen

Dwayne Fosseen

Chief Executive Officer and

President (Principal Executive

Officer) and Director and Chairman

Of the Board

Date: May 15, 2009

By: /s/ Don Williams

Don Williams

Director

Date: May 15, 2009

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EXHIBIT 31.1

CERTIFICATION

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dwayne Fosseen, certify that:

1.

I have reviewed this quarterly report on Form 10-Q of Mirencos, Inc., (the Company);

2.

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Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements are made, not misleading with respect to the period covered by this quarterly report;

3.

Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

4.

The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15e and internal control over financial reporting (as defined in Exchange Act Rules 3a-15d-15(f)) for the Company and have:

(a)

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b)

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)

Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the quarterly report based on such evaluation; and

(d)

Disclosed in this quarterly report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial

reporting; and

1.

The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a)

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b)

Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 15, 2009

/s/Dwayne Fosseen

Dwayne Fosseen

President and Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Glynis Hendrickson, certify that:

1.

I have reviewed this quarterly report on Form 10-Q of Mirencos, Inc., (the Company);

2.

Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements are made, not misleading with respect to the period covered by this quarterly report;

3.

Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

4.

The Company s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15e and internal control over financial reporting (as defined in Exchange Act Rules 3a-15d-15(f)) for the Company and have:

(a)

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b)

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)

Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the quarterly report based on such evaluation; and

(d)

Disclosed in this quarterly report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and

1.

The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a)

All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b)

Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: May 15, 2009

/s/Glynis M. Hendrickson

Glynis M. Hendrickson

Chief Financial Officer

(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Dwayne Fosseen, Chief Executive Officer and I, Glynis M. Hendrickson, Chief Financial Officer of Mirencos, Inc. (the Company) certify that:

(1)

I have reviewed the quarterly report on Form 10-Q of Mirencos, Inc.;

(2)

Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

(2)

Based on my knowledge, the financial statements and other information included in this quarterly report, fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company as of and for the period presented in this quarterly report.

/s/ Dwayne Fosseen

Dwayne Fosseen

Chief Executive Officer and President

(Principal Executive Officer)

May 14, 2009

/s/ Glynis M. Hendrickson

Glynis M. Hendrickson

Chief Financial Officer

(Principal Financial Officer)

May 15, 2009

