

TRULITE INC  
Form 10QSB  
August 10, 2007

**U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-QSB**

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

**For the quarterly period ended June 30, 2007**

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

**Commission file number 000-51696**

**Trulite, Inc.**

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

<b><u>Delaware</u></b> (State or other jurisdiction of incorporation or organization)	<b><u>20-1372858</u></b> (I.R.S. employer identification number)
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**1401 McKinney Street  
Suite 900  
Houston, TX 77010**  
(Address of principal executive offices)

Issuer's telephone number, including area code: (713) 888-0660

Copies to:  
James Ryan, III, Esq.  
Jackson Walker L.L.P  
901 Main St., Suite 6000  
Dallas, TX 75202  
Tel: (214) 953-5801

Fax: (214) 661-6688 Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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

APPLICABLE ONLY TO CORPORATE ISSUERS

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State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 11,885,591 shares of Common Stock, par value \$.0001 per share, outstanding as of August 10, 2007.

Transitional Small Business Disclosure Format (Check one): YES  NO

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**TRULITE, INC.**

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**Note Regarding Forward-looking Statements**

This Form 10-QSB for the quarter ended June 30, 2007, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including statements regarding, among other items, our growth strategies, anticipated trends in our business and our future results of operation, market conditions in the research and development industry and the impact of governmental regulation. These forward-looking statements are based largely on our expectations and are subject to a number of risks and uncertainties, many of which are beyond our control. Actual results could differ materially from these forward-looking statements as a result of, among other things:

· Our ability to raise capital;

· Our ability to estimate future expenditures;

· Our ability to sell our products;

· Our ability to retain and attract experienced and knowledgeable personnel; and

· Our ability to compete in the renewable energy industry

In addition, the words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions they relate to us, our business or our management, are intended to identify forward-looking statements.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Form 10-QSB. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this Form 10-QSB may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

**PART 1. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****Trulite, Inc. (a Development Stage Company)  
Balance Sheets**

	<b>June 30, 2007</b>	<b>December 31, 2006 Audited</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 493,447	\$ 275,957
Prepaid expenses and other current assets	6,898	13,372
Total current assets	500,345	289,329
Property and equipment, net	66,304	50,079
Patent application fees	19,843	19,843
Total assets	\$ 586,492	\$ 359,251
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 433,077	\$ 239,544
Due to affiliates	487,131	62,363
Notes payable	2,815,979	1,250,000
Total current liabilities	3,736,187	1,551,907
Commitments and contingencies		
Stockholders' deficit:		
8% Cumulative Convertible, Series A Preferred Stock; \$0.0001 par value, 1,500,000 shares authorized, 0 shares issued and outstanding as of June 30, 2007 and December 31, 2006.	-	-
Common Stock; \$0.0001 par value, 50,000,000 and 20,000,000 shares authorized, 11,885,591 and 11,785,491 shares issued and outstanding as of June 30, 2007 and December 31, 2006, respectively.	1,188	1,178
Additional paid-in-capital	9,920,723	9,537,425
Deficit accumulated during the development stage	(13,071,606)	(10,731,259)
Total stockholders' deficit	(3,149,695)	(1,192,656)
Total liabilities and stockholders' deficit	\$ 586,492	\$ 359,251

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

**Trulite, Inc. (a Development Stage Company)**  
**Statements of Operations**

	Three Months Ended June 30,		Six Months Ended June 30,		Period From Inception (July 15, 2004) Through June 30, 2007
	2007	2006	2007	2006	
Sales	\$ -	\$ -	\$ -	\$ 8,333	\$ 26,750
Cost of sales	-	-	-	5,912	18,778
<b>GROSS PROFIT</b>	-	-	-	2,421	7,972
<b>Operating expenses:</b>					
Research and development	536,900	289,632	994,516	448,167	3,367,568
Depreciation	6,388	2,721	12,030	5,441	34,841
General and administrative	693,025	1,230,111	1,124,866	1,450,923	3,860,566
<b>TOTAL OPERATING EXPENSES</b>	1,236,313	1,522,464	2,131,412	1,904,531	7,262,975
<b>LOSS FROM OPERATIONS</b>	(1,236,313)	(1,522,464)	(2,131,412)	(1,902,110)	(7,255,003)
<b>Other income (expense):</b>					
Interest expense	(60,408)	-	(105,877)	(59)	(136,266)
Interest income	162	2,735	1,823	3,206	12,946
Other	-	-	-	-	(4,411)
<b>TOTAL OTHER INCOME (EXPENSE)</b>	(60,246)	2,735	(104,054)	3,147	(127,731)
<b>LOSS BEFORE INCOME TAXES</b>	(1,296,559)	(1,519,729)	(2,235,466)	(1,898,963)	(7,382,734)
Income taxes	-	-	-	-	-
<b>NET LOSS</b>	(1,296,559)	(1,519,729)	(2,235,466)	(1,898,963)	\$ (7,382,734)
Preferred stock dividends	-	(10,180)	-	(39,275)	
Deemed dividend on conversion of preferred stock to common stock	-	(1,586,150)	-	(1,586,150)	
Deemed dividend on warrant extension	-	-	(104,881)	-	

NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (1,296,559)	\$ (3,116,059)	\$ (2,340,347)	\$ (3,524,388)
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NET LOSS PER COMMON  
SHARE

Basic and diluted	\$ (0.11)	\$ (0.16)	\$ (0.19)	\$ (0.29)
Preferred and deemed dividends	-	(0.17)	(0.01)	(0.25)
Attributable to common stockholders	\$ (0.11)	\$ (0.34)	\$ (0.20)	\$ (0.55)

WEIGHTED AVERAGE  
COMMON

SHARES OUTSTANDING:

Basic	11,791,086	9,236,879	11,788,304	6,449,674
Diluted	11,791,086	9,236,879	11,788,304	6,449,674

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

**Trulite, Inc. (a Development Stage Company)**  
**Statements of Cash Flows**

	<b>Six Months Ended June 30,</b>		<b>Period From</b>
	<b>2007</b>	<b>2006</b>	<b>Inception</b>
			<b>(July 15, 2004)</b>
			<b>Through</b>
			<b>June 30, 2007</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss	\$ (2,235,466)	\$ (1,898,963)	\$ (7,382,734)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	12,030	5,441	34,841
Amortization of discount on convertible debt issuance	1,279	-	1,279
Common stock issued for consulting services	75,000	285,000	360,000
Common stock issued for management fees			