

America's Suppliers, Inc.
Form 10-Q
May 13, 2011

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: March 31, 2011

Or

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

Commission File Number: 0-27012

AMERICA'S SUPPLIERS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

27-1445090
(I.R.S. Employer Identification No.)

7575 E. Redfield Road
Suite 201
Scottsdale, AZ
(Address of principal executive offices)

85260
(Zip Code)

(480) 922-8155
(Registrant's telephone number, including area code)

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

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

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" 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: 14,255,857 shares of common stock as of May 13, 2011.

AMERICA'S SUPPLIERS, INC.

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PART I – FINANCIAL INFORMATION

Forward-Looking Information

Unless otherwise indicated, the terms “America’s Suppliers,” “ASI,” “Insignia Solutions plc,” “Insignia,” the “Company,” “we,” and “our” refer to America’s Suppliers, Inc. and its subsidiaries. In this Quarterly Report on Form 10-Q, we may make certain forward-looking statements, including statements regarding our plans, strategies, objectives, expectations, intentions and resources that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. We do not undertake to update, revise or correct any of the forward-looking information. The following discussion should also be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2010.

The statements contained in this Quarterly Report on Form 10-Q that are not historical fact are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995), within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements contained herein are based on current expectations that involve a number of risks and uncertainties. These statements can be identified by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “intend,” “plan,” “could,” “is likely,” or “anticipates,” or the negative thereof or other comparable terminology, or by discussions of strategy that involve risks and uncertainties. The Company wishes to caution the reader that these forward-looking statements are not historical facts but only predictions. No assurances can be given that the future results indicated, whether expressed or implied, will be achieved. While sometimes presented with numerical specificity, these projections and other forward-looking statements are based upon a variety of assumptions relating to the business of the Company, which, although considered reasonable by the Company, may not be realized. Because of the number and range of assumptions underlying the Company’s projections and forward-looking statements, many of which are subject to significant uncertainties and contingencies that are beyond the reasonable control of the Company, some of the assumptions inevitably will not materialize, and unanticipated events and circumstances may occur subsequent to the date of this report. These forward-looking statements are based on current expectations and the Company assumes no obligation to update this information. Therefore, the actual experience of the Company and the results achieved during the period covered by any particular projections or forward-looking statements may differ substantially from those projected. Consequently, the inclusion of projections and other forward-looking statements should not be regarded as a representation by the Company or any other person that these estimates and projections will be realized, and actual results may vary materially. There can be no assurance that any of these expectations will be realized or that any of the forward-looking statements contained herein will prove to be accurate.

Item 1. Financial Statements.

AMERICA'S SUPPLIERS, INC.
CONSOLIDATED BALANCE SHEETS

| | March 31, 2011 (unaudited) | December 31, 2010 |
|--|----------------------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$571,068 | \$ 397,209 |
| Certificates of deposit | 400,000 | 900,000 |
| Accounts receivable, net | 148,004 | 85,479 |
| Inventory | 1,118 | 1,318 |
| Prepaid expenses and other current assets | 74,693 | 71,273 |
| Total current assets | 1,194,883 | 1,455,279 |
| Property and equipment, net | 341,801 | 355,760 |
| Deferred financing costs | - | 40,000 |
| Deposits and other assets | 98,025 | 57,264 |
| Total assets | \$1,634,709 | \$ 1,908,303 |
| Liabilities and Shareholders' Deficit | | |
| Accounts payable | \$1,485,623 | \$ 1,540,510 |
| Accrued expenses | 399,330 | 504,902 |
| Deferred revenue | - | 8,569 |
| Other liabilities | 4,342 | 4,487 |
| Total current liabilities | 1,889,295 | 2,058,468 |
| ASI shareholders' deficit: | | |
| Preferred shares, \$0.001 par value, 1,000,000 shares authorized, no shares outstanding at December 31, authorized, no shares outstanding at December 31, 2010 and 2009 | - | - |
| Common stock, \$0.001 par value, 50,000,000 shares authorized, authorized, 12,925,348 shares outstanding at 14,255,857 shares issued and outstanding at March 31, 2011 and December 31, 2010 | 14,256 | 14,256 |
| Additional paid in capital | 6,573,329 | 6,550,963 |
| Accumulated deficit | (6,842,171) | (6,715,384) |
| Total shareholders' deficit | (254,586) | (150,165) |
| Total liabilities and shareholders' deficit | \$1,634,709 | \$ 1,908,303 |

See accompanying notes to unaudited consolidated financial statements.

AMERICA'S SUPPLIERS, INC.
Consolidated Statements of Operations
(unaudited)

| | Three Months Ended March 31, | |
|---|------------------------------|--------------|
| | 2011 | 2010 |
| Net revenues | \$ 3,293,427 | \$ 3,199,464 |
| Advertising revenue | 61,524 | 42,088 |
| Cost of goods sold | 2,195,198 | 2,149,600 |
| Gross profit | 1,159,753 | 1,091,952 |
| Operating expenses: | | |
| Sales and marketing | 717,495 | 609,043 |
| General and administrative | 570,628 | 458,343 |
| Total operating expenses | 1,288,123 | 1,067,386 |
| Operating income (loss): | (128,370) | 24,566 |
| Other income (expense): | | |
| Loss from equity investment | - | (7,459) |
| Other income (expense) | 1,583 | 1,353 |
| Total other expense | 1,583 | (6,106) |
| Net income (loss) | (126,787) | 18,460 |
| Less: net loss attributable to noncontrolling interest | - | (3,791) |
| Net income (loss) attributable to America's Suppliers, Inc. | \$ (126,787) | \$ 22,251 |
| Net income (loss) per share: | | |
| Basic | \$ (0.01) | \$ - |
| Diluted | \$ (0.01) | \$ - |
| Weighted average common shares outstanding | | |
| Basic | 13,075,348 | 12,925,348 |
| Diluted | 13,075,348 | 12,925,348 |

See accompanying notes to unaudited consolidated financial statements.

AMERICA'S SUPPLIERS, INC.
Consolidated Statements of Cash Flows
(unaudited)

| | Three Months Ended March 31, | |
|---|------------------------------|---------------|
| | 2011 | 2010 |
| Cash flows from operating activities: | | |
| Net income (loss) | \$ (126,787) | \$ 22,251 |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Loss from equity investment | - | 7,459 |
| Loss attributable to noncontrolling interest | - | (3,791) |
| Depreciation and amortization | 21,746 | 18,941 |
| Bad debt expense | 7,319 | 16 |
| Stock-based compensation | 22,366 | 2,828 |
| Write-off of deferred financing costs | 40,000 | - |
| Changes in assets and liabilities: | | |
| Accounts receivable | (69,844) | (56,921) |
| Inventory | 200 | - |
| Prepaid and other current assets | (3,420) | 15,006 |
| Deposits and other assets | (10,761) | (3) |
| Accounts payable | (54,887) | 30,052 |
| Accrued expenses | (105,572) | (124,315) |
| Deferred revenue | (8,569) | (5,411) |
| Other liabilities | (145) | (349) |
| Net cash used in operating activities | (288,354) | (94,237) |
| Cash flows from investing activities: | | |
| Maturities of certificates of deposit | 500,000 | 285,000 |
| Investment in Business Calcium | - | (67,817) |
| Loans to Business Calcium | (30,000) | - |
| Purchases of property and equipment | (7,787) | (50,521) |
| Net cash provided by investing activities | 462,213 | 166,662 |
| Change in cash and cash equivalents | 173,859 | 72,425 |
| Cash and cash equivalents, beginning of period | 397,209 | 78,095 |
| Cash and cash equivalents, end of period | \$ 571,068 | \$ 150,520 |
| Supplemental cash flow disclosures: | | |
| Cash paid for interest | \$ - | \$ - |

See accompanying notes to unaudited consolidated financial statements.

AMERICA'S SUPPLIERS, INC.
Notes to the Consolidated Financial Statements
(unaudited)

Note 1: Organization and Basis of Presentation

Background

DollarDays International, Inc. ("DollarDays"), our wholly owned subsidiary, is an Internet based wholesaler of general merchandise to small independent resellers through its website www.DollarDays.com. Orders are placed by customers through the website where, upon successful payment, the merchandise is shipped directly from the vendors' warehouses.

Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments, consisting of only normal recurring accruals, necessary for a fair statement of financial position, results of operations, and cash flows. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and the accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2010. The accounting policies are described in the "Notes to the Consolidated Financial Statements" in the 2010 Annual Report on Form 10-K and updated, as necessary, in this Form 10-Q. The year end consolidated balance sheet data presented for comparative purposes was derived from audited consolidated financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States. The results of operations for the three months ended March 31, 2011 are not necessarily indicative of the operating results for the full year or for any other subsequent interim period.

Certain reclassifications have been made to prior period reported amounts to conform to current year presentation.

Note 2: Balance Sheet Information

Deferred Financing Costs

At December 31, 2010, the Company maintained a balance of \$40,000 of deferred financing costs paid to a third party to assist with raising capital to expand the Company's WowMyUniverse.com. By March 31, 2011, it was determined that these capital efforts were unsuccessful, and the Company wrote off its \$40,000 asset during the three months ended March 31, 2011.

Note Receivable

On October 1, 2010, the Company entered into an agreement to exchange its 25% ownership in Business Calcium for the counterparties' 10% interest in our consolidated subsidiary, WowMyUniverse.com, thereby making WowMyUniverse a wholly-owned subsidiary. As part of the consideration in the transaction, the Company agreed to loan Business Calcium \$50,000 with interest at 6%. In accordance with the terms of the note, the Company funded \$20,000 during the quarter ended December 31, 2010 and \$30,000 during the quarter ended March 31, 2011. Of the \$50,000 that is outstanding at March 31, 2011, \$10,000 is reflected as part of other current assets and \$40,000 is included in noncurrent assets in the accompanying unaudited consolidated balance sheet. The terms of the note stipulate repayments to commence in July 2011 with the remaining balance due December 31, 2012.

Note 3: Equity Compensation

Restricted Stock

On February 25, 2009, the Company granted of an aggregate of 1,475,636 common shares with a fair value of \$47,220 vesting as follows:

- 20% vest immediately;
- 20% of shares granted vest on or after February 25, 2010 if price per share equals or exceeds \$0.60 and trading volume is at least 5,000 shares per day for 25 of 30 consecutive days in a trading period;
- 30% of shares granted vest on or after February 25, 2011 if price per share equals or exceeds \$1.00 and trading volume is at least 5,000 shares per day for 25 of 30 consecutive days in a trading period; and
- 30% of shares granted vest on or after February 25, 2012 if price per share equals or exceeds \$1.50 and trading volume is at least 5,000 shares per day for 25 of 30 consecutive days in a trading period.

As of March 31, 2011, 1,180,509 shares remain unvested as they have not met the vesting criteria. The unvested shares are included in shares outstanding at March 31, 2011, but are excluded from the weighted average shares outstanding computation for basic earnings per share in accordance with ASC 260. The Company recognized stock based compensation related to this award of \$948 and \$2,828, for the three months ended March 31, 2011 and 2010, respectively, based on the expected likelihood of achieving such performance criteria, the vesting schedule and requisite service period.

Stock Options

The Company has historically granted stock options to certain vendors and employees as well as in connection with certain financing transactions. During the quarter ended March 31, 2011, the Company granted 180,000 stock options at a strike price of \$0.20 to members of its Board of Directors. The grant date fair value of the awards was \$19,856 which was determined using a Black Scholes option pricing model using the following assumptions: volatility of 94%, risk-free rate of return of 1.15%-1.24%, stock price of \$0.20 and expected term of 2.5 years. The options expire

in 2016. As these awards were immediately vested, the Company expensed the entire grant date fair value of the award during the three months ended March 31, 2011.

The following table summarizes the Company's stock option activity during the three months ended March 31, 2011:

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| | Number of Units | Weighted- Average Exercise Price | Weighted- Average Remaining Contractual Term (in years) |
|----------------------------------|--------------------|--|---|
| Outstanding at December 31, 2010 | 886,176 | \$ 1.03 | 3.1 |
| Grants | 180,000 | 0.20 | |
| Forfeitures | (31,226) | 3.19 | |
| Exercises | - | - | |
| Outstanding at March 31, 2011 | 1,034,950 | \$ 0.82 | 3.3 |
| Exerciseable at March 31, 2011 | 666,881 | \$ 1.16 | 2.7 |

The Company recognized expense of \$21,418 during the three months ended March 31, 2011 related to stock option awards. The Company has an aggregate of \$15,627 of future expense (net of estimated forfeitures) related to nonvested awards which will be recognized over a weighted average period of 1.6 years. The options had an intrinsic value of \$6,400 as of March 31, 2011.

The following table sets forth exercise prices of outstanding options at March 31, 2011:

| Exercise Price | Number of Shares |
|------------------|---------------------|
| \$0.01 - \$0.89 | 640,086 |
| \$0.90 - \$2.00 | 385,071 |
| \$2.01 - \$4.00 | 7,193 |
| \$4.01 - \$7.00 | - |
| \$7.01 - \$10.00 | 1,000 |
| \$10.01 + | 1,600 |
| | 1,034,950 |

Warrants

The following table summarizes the Company's warrant activity during the three months ended March 31, 2011:

| | Number of Units | Weighted- Average Exercise Price | Weighted- Average Remaining Contractual Term (in years) | Intrinsic value |
|----------------------------------|--------------------|--|---|--------------------|
| Outstanding at December 31, 2010 | 1,572,628 | \$ 0.44 | 2.9 | \$ 68,412 |
| Grants | - | - | | |
| Forfeitures | - | - | | |
| Exercises | - | - | | |
| Outstanding at March 31, 2011 | 1,572,628 | \$ 0.44 | 2.7 | \$ 97,066 |
| Exerciseable at March 31, 2011 | 1,572,628 | \$ 0.44 | 2.7 | \$ 97,066 |

All warrants have been fully expensed as of March 31, 2011. The following table sets forth exercise prices of outstanding warrants at March 31, 2011:

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| Exercise Price | Number of Shares |
|-----------------|------------------|
| \$0.10 | 855,145 |
| \$0.20 | 300,000 |
| \$1.20 - \$1.30 | 417,483 |
| | 1,572,628 |

Note 4: Net Income (Loss) Per Share

Basic income (loss) per share is computed based on the weighted average number of common shares outstanding and excludes any potential dilution. Diluted loss per share reflects potential dilution from the exercise or conversion of securities into common stock. The effects of certain stock options and warrants are excluded from the determination of the weighted average common shares outstanding for diluted income per share in each of the periods presented as the effects were antidilutive and as the exercise price for the outstanding instruments exceeded the average market price for the Company's common stock.

Computation of net income (loss) per share is as follows:

| | Three Months Ended March 31, | |
|---|------------------------------|------------|
| | 2011 | 2010 |
| Net income (loss) attributable to America's Suppliers | \$ (126,787) | \$ 22,251 |
| Basic weighted average common shares outstanding | 13,075,348 | 12,925,348 |
| Add incremental shares for: | | |
| Stock options | - | - |
| Warrants | - | - |
| Diluted weighted average common shares outstanding | 13,075,348 | 12,925,348 |
| Net income (loss) per share: | | |
| Basic | \$ (0.01) | \$ - |
| Diluted | \$ (0.01) | \$ - |

The following potentially dilutive securities were excluded from the computation of diluted net income (loss) per share because their effect would have been anti-dilutive:

| | Three Months Ended March 31, | |
|---------------|------------------------------|-----------|
| | 2011 | 2010 |
| Stock options | 1,034,950 | 523,505 |
| Warrants | 1,572,628 | 1,574,865 |

Additionally, an aggregate of 1,180,509 shares of unvested restricted stock were excluded from the above table as these shares are subject to market performance conditions that were not met as of March 31, 2011.

Note 5: Subsequent Events

On April 12, 2011, the Company launched a promotional campaign on its website (www.dollardays.com) providing for free shipping in connection with orders of school supplies. On that date, certain coupon sites suggested that their patrons combine the free shipping offer with coupons previously distributed in March for \$20 for a Facebook promotion. Within 90 minutes, 23 coupon sites picked up this social marketing, which resulted in an overwhelming and unexpected customer response. The Company honored customer orders that were placed while the Company was addressing the error in its ordering system. This error resulted in losses of approximately \$200,000 comprised of coupon redemption costs and shipping costs of the products. The Company anticipates that substantially all of the impact of the error on its financial position and results of operations will be reported in its Quarterly Report on Form 10-Q for the quarter ending June 30, 2011.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis provides information that management believes is relevant for an assessment and understanding of our results of operations and financial condition. The following selected financial information is derived from our historical consolidated financial statements and should be read in conjunction with such consolidated financial statements and notes thereto set forth elsewhere herein and the "Forward-Looking Statements" explanation included herein. This information should also be read in conjunction with our audited historical consolidated financial statements which are included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed with the Securities and Exchange Commission on March 3, 2011.

Overview

We develop software programs that allow us to provide general merchandise for resale to businesses through our website at www.DollarDays.com. We have been recognized as a leader in the Internet wholesale market of discounted merchandise by a leading business periodical and trade associations. Our objective is to provide a one-stop discount shopping destination for general merchandise for smaller distributors, retailers and non-profits nationwide seeking single and small case-sized lots at bulk prices. We launched our first website in October 2001. The site offers customers an opportunity to shop for bargains conveniently, while offering our suppliers an alternative sales channel. We believe our website offers a unique benefit to smaller businesses in that they are able to purchase goods from wholesalers and importers in single and small case lots, with no minimum purchase requirements at discounted prices. We believe the prevailing reason our business has been able to obtain bulk pricing for single case lots is our ability to reach smaller distributors, retailers and non-profits that most general merchandise suppliers cannot economically reach. We provide all the logistics and customer support to serve this sales channel and grow our customer base.

We continually add new, limited inventory products to our website in order to create an atmosphere that encourages customers to visit frequently and purchase products before the inventory sells out. Through our Internet catalog, we offer approximately 150,000 products, including up to 10,000 closeout items at further discounted prices. Closeout merchandise is typically available in inconsistent quantities and prices.

We accept orders, either online or via telephone sales staff, collect payment in the form of credit or debit card, PayPal or similar means, and coordinate with manufacturers, importers and close-out specialists regarding delivery particulars. PayPal refers to the online payment platform located at www.paypal.com and its localized counterparts. Our proprietary software and service procedures allow us to sell merchandise to a single customer, and bill as a single order, items purchased and delivered from multiple suppliers. We do not take possession of inventory, but we are responsible for processing customer claims and returns.

Our website has a registered base of approximately 1,500,000 small businesses and receives approximately 2 million monthly page views. We receive an average of approximately 3,000 orders per month. Our target audience is smaller businesses.

Recent Operating Performance

During the first three months of 2011, we have generated a net loss totaling \$87,699 from our primary operating subsidiary, DollarDays. During the first three months of 2011 our investment in our startup WowMyUniverse.com, which began accepting online orders, generated net revenues of \$9,626 offset by expenses of \$48,712 for a net loss of \$39,086.

Results of Operations

Net Revenues

| Net Revenues | 2011 | 2010 | Change from Prior Year | Percent Change from Prior Year |
|------------------------------|-------------|-------------|---------------------------|-----------------------------------|
| Three months ended March 31, | \$3,293,427 | \$3,199,464 | \$ 93,963 | 2.9 % |

Net revenues increased for the three months ended March 31, 2011 as compared to the three months ended March 31, 2010, as a result of our continuing marketing efforts and increased business development programs. Factors that influence future revenue growth include general economic conditions, our ability to attract vendors that offer compelling products and the impact of our marketing activities.

Advertising Revenue

| Advertising Revenue | 2011 | 2010 | Change from Prior Year | Percent Change from Prior Year |
|------------------------------|----------|----------|---------------------------|-----------------------------------|
| Three months ended March 31, | \$61,524 | \$42,088 | \$ 19,436 | 46.2 % |

Advertising revenue increased during the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 as a result of our continuing marketing efforts and increased business development programs.

Cost of Goods Sold

| Cost of Goods Sold | 2011 | 2010 | Change from Prior Year | Percent Change from Prior Year |
|------------------------------|-------------|-------------|---------------------------|-----------------------------------|
| Three months ended March 31, | \$2,195,198 | \$2,149,600 | \$ 45,598 | 2.1 % |

Cost of goods sold increased during the three months ended March 31, 2011 as compared to the three months ended March 31, 2010, due primarily to the increase in net revenues as discussed above. Factors which may influence the cost of goods sold include our general sales volumes, negotiated terms with vendors and general economic conditions.

Gross margins have increased slightly from the comparable prior-year period for the three months ended March 31, 2011. Margins were 35% and 34% for the three months ended March 31, 2011 and 2010, respectively. These margins are influenced by the volume and mix of products sold in the period.

Sales and Marketing

| Sales and Marketing | 2011 | 2010 | Change from Prior Year | Percent Change from Prior Year |
|------------------------------|-----------|-----------|---------------------------|-----------------------------------|
| Three months ended March 31, | \$717,495 | \$609,043 | \$ 108,452 | 17.8 % |

Sales and marketing expenses include fees for attracting users to our site, including search engine optimization, telemarketing and other marketing efforts as well as promotional activities to increase sales by end users. Sales and marketing expenses increased in the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 due to increased efforts to generate revenues through increased pay-per-click advertising, marketing promotions, trade show appearances, and increased sales and telemarketing personnel. Additionally, we added new sales associates to generate additional revenues.

Factors influencing sales and marketing expenses include strategic decisions with respect to the cost-effectiveness of each of our marketing activities.

General and Administrative

| General and Administrative | 2011 | 2010 | Change from Prior Year | Percent Change from Prior Year |
|------------------------------|-----------|-----------|---------------------------|-----------------------------------|
| Three months ended March 31, | \$570,628 | \$458,343 | \$ 112,285 | 24.5 % |

General and administrative expenses increased in the three months ended March 31, 2011 as compared to the three months ended March 31, 2010 due primarily to increased stock-based compensation charges, information technology salaries, board fees, and a write off of deferred financing costs.

Factors that influence the amount of general and administrative expenses include the amount and extent by which we compensate our consultants, executives and directors with stock-based or other compensation, the rate of growth of our business and the extent to which we outsource or bring certain activities in-house.

Other Expense

| Other Expense | 2011 | 2010 | Change from Prior Year | Percent Change from Prior Year |
|------------------------------|---------|------------|---------------------------|-----------------------------------|
| Three months ended March 31, | \$1,583 | \$(6,106) | \$ 7,689 | 125.9 % |

Other expense for the three months ended March 31, 2011 consisted of interest income on cash balances, short-term investments, notes receivable and other miscellaneous income. Other income (expense) for the three months ended March 31, 2010 included \$7,459 of losses on our investment in Business Calcium, partially offset by \$1,353 of interest income.

Net Income (Loss)

| Net Income (Loss) | 2011 | 2010 | Change from Prior Year | Percent Change from Prior Year |
|------------------------------|--------------|----------|---------------------------|-----------------------------------|
| Three months ended March 31, | \$(126,787) | \$22,251 | \$ (149,038) | (669.8)% |

Our net loss for the three months ended March 31, 2011 as compared to our net income the three months ended March 31, 2010 resulted primarily due to revenue growth fully offset by increases in sales and marketing and general and administrative expenses, each of which is described above.

Liquidity and Capital Resources

Our operating cash outflows were \$288,354 for the three months ended March 31, 2011, as compared to outflows of \$94,237 for the three months ended March 31, 2010, constituting an increase in cash used by operations of \$194,117. The change in net operating cash outflows is attributable to our \$126,787 net loss for the first quarter of 2011 (as compared to \$22,251 net income during the first quarter of 2010), a decrease in changes in working capital and other operating assets and liabilities of \$111,057, offset by increased non-cash charges of \$65,978.

Investing cash inflows for the three months ended March 31, 2011 consisted of \$500,000 of cash received from the maturities of certificates of deposit, partially offset by \$30,000 of loans to Business Calcium, and \$7,787 of investments in equipment and website development costs to support our business operations and expansion into the consumer marketplace. Investing cash inflows for the three months ended March 31, 2010 consisted of \$285,000 of cash from the sale of short-term investments, partially offset by a net cash outlay of \$67,817 for our investment in Business Calcium (consisting of an aggregate investment of \$77,004, of which \$9,187 was used for Business Calcium's investment in Wow, a consolidated entity) and \$50,521 of investments in equipment and website development costs to support our business operations and expansion into the consumer marketplace.

Our consolidated financial statements have been prepared assuming we will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have a recent history of operating losses and operating cash outflows. These factors raise substantial doubt about our ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from this uncertainty.

We intend to generate operating cash flows through the growth of our existing business, the improvement of operating margins and by growth through acquisitions. Although there can be no assurance, management believes such measures will provide enough liquidity to operate our current business and continue as a going concern in the short term.

Off-balance sheet arrangements

We did not have any off-balance sheet arrangements at March 31, 2011.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed with an objective of ensuring that information required to be disclosed in our periodic reports filed with the Securities and Exchange Commission, such as this Quarterly Report on Form 10-Q, is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission. Disclosure controls are also designed with an objective of ensuring that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, in order to allow timely consideration regarding required disclosures.

The evaluation of our disclosure controls by our principal executive officer and principal financial officer included a review of the controls' objectives and design, the operation of the controls, and the effect of the controls on the

information presented in this Quarterly Report. Our management, including our principal executive officer and principal financial officer, does not expect that disclosure controls can or will prevent or detect all errors and all fraud, if any. Also, projections of any evaluation of the disclosure controls and procedures to future periods are subject to the risk that the disclosure controls and procedures may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on their review and evaluation as of the end of the period covered by this Quarterly Report, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective as of the end of the period covered by this report.

Changes In Internal Controls Over Financial Reporting

There have not been any changes in internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the fiscal quarter ending March 31, 2011, that have materially affected, or are reasonably likely to affect, our internal controls over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material updates to the risk factors disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. (Removed and Reserved).

Item 5. Other Information.

None.

Item 6. Exhibits.

| Exhibit Number | Description |
|-------------------|---|
| 31.1 | Certification of Principal Executive Officer Pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934 |
| 31.2 | Certification of Principal Financial Officer Pursuant to Rules 13a-14 and 15d-14 of the Securities Exchange Act of 1934 |
| 32.1 | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2 | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERICA'S SUPPLIERS, INC.

By: /s/ Marc Joseph
Marc Joseph
President
(Principal Executive Officer)

By: /s/ Michael Moore
Michael Moore
Treasurer and Secretary
(Principal Financial Officer)