



EDGAR PDF PROOF - COVER PAGE

Registrant: Immediatek, Inc.

Form Type: 10-Q

Proof Date: May 15, 2013

File Name: a51413010q **Revision** 3

PRIVILEGE AND CONFIDENTIALITY NOTICE

This document is intended solely for use of the duly authorized individual or entity to which it has been made available and contains information that is privileged and confidential. If you are not the intended recipient of this document or authorized to receive it for the intended recipient, you have received this document in error. You are hereby notified that any review, use, dissemination, distribution or copying of this document is strictly prohibited. If you have received this document in error, please immediately notify us by return email message and delete and/or destroy any electronic or hard copies thereof.

AUTHORIZATION TO EDGAR FILE FINAL PROOF

Securex Filings LLC requires your written authorization for each EDGARized document we file with the SEC on your behalf. Please review the contents of the attached EDGAR proof and indicate any special instruction or conditions related to the release of the document for LIVE filing with the SEC EDGAR system.

Please fax a signed and dated copy of this page to (877) 732-4774 or (303) 552-5155

If your filing is time sensitive and/or you do not receive an email confirming the receipt of this Authorization, you will need to confirm receipt with Securex to ensure your filing is submitted on schedule.

I have reviewed the above referenced submission and find all content and formatting to be correct. I authorize Securex Filings LLC to transmit this EDGAR filing to the SEC.

Date: _____ **Time:** _____

Name: _____

Signature: _____

Transmit this filing (Live File) immediately upon receipt of this authorization

OR

This EDGAR PDF proof may differ from the paper proof as it has been reformatted for 8.5 x 11 to facilitate printing and reviewing.

EDGAR Submission Header Summary

Submission Type	10-Q
Live File	on
Return Copy	on
Submission Contact	Filing Department
Submission Contact Phone Number	518-907-0015
Exchange	NONE
Confirming Copy	off
Filer CIK	0001084182
Filer CCC	xxxxxxxx
Period of Report	03/31/13
Smaller Reporting Company	on
Notify via Filing website Only	off

Documents

10-Q	a51413010q.htm
	For the quarterly period ended March 31, 2013
EX-31.1	ex31_1.htm
	Exhibit 31.1
EX-31.2	ex31_2.htm
	Exhibit 31.2
EX-32.1	ex32_1.htm
	Exhibit 32.1
EX-32.2	ex32_2.htm
	Exhibit 32.2
EX-101.INS	imki-20130331.xml
	Exhibit 101.INS
EX-101.SCH	imki-20130331.xsd
	Exhibit 101.SCH
EX-101.CAL	imki-20130331_cal.xml
	Exhibit 101.CAL
EX-101.DEF	imki-20130331_def.xml
	Exhibit 101.DEF
EX-101.LAB	imki-20130331_lab.xml
	Exhibit 101.LAB
EX-101.PRE	imki-20130331_pre.xml
	Exhibit 101.PRE

Module and Segment References

**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, 2013**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT
For the transition period from _____ to _____

Commission file number: **000-26073**

IMMEDIATEK, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

86-0881193

(IRS Employer Identification No.)

3301 Airport Freeway, Suite 200

Bedford, Texas

(Address of principal executive offices)

76021

(Zip code)

(888) 661-6565

(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 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

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 (Do not check if a smaller reporting company)

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

As of May 8, 2013, the issuer had 15,865,641 shares of common stock outstanding.

IMMEDIATEK, INC.

TABLE OF CONTENTS

	Page
<u>Introduction</u>	1
<u>Trademarks and Service Marks</u>	1
<u>Market and Industry Data and Forecasts</u>	1
<u>Forward-Looking Statements</u>	1
<u>Part I – Unaudited Financial Information</u>	3
<u>Item 1. Unaudited Financial Statements</u>	3
<u>Unaudited Consolidated Balance Sheets at March 31, 2013 and December 31, 2012</u>	3
<u>Unaudited Consolidated Statements of Operations for the three months ended March 31, 2013 and 2012</u>	4
<u>Unaudited Consolidated Statements of Cash Flows for the three months ended March 31, 2013 and 2012</u>	5
<u>Notes to Unaudited Consolidated Financial Statements</u>	6
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	8
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	14
<u>Item 4. Controls and Procedures</u>	14
<u>Part II – Other Information</u>	15
<u>Item 1. Legal Proceedings</u>	15
<u>Item 6. Exhibits</u>	15
<u>Signatures</u>	S-1

INTRODUCTION

Unless the context otherwise indicates, all references in this Quarterly Report on Form 10-Q to the “Company,” “Immediatek,” “Officeware,” “DiscLive,” “IMKI Ventures,” “we,” “us,” “our” or “ours” or similar words are to Immediatek, Inc. and its direct, wholly-owned subsidiaries, Officeware Corporation, DiscLive, Inc. or IMKI Ventures, Inc. Accordingly, there are no separate financial statements for Officeware Corporation, DiscLive, Inc. or IMKI Ventures, Inc.

TRADEMARKS AND SERVICE MARKS

This Quarterly Report on Form 10-Q contains registered trademarks and service marks owned or licensed by entities and persons other than us.

MARKET AND INDUSTRY DATA AND FORECASTS

Market and industry data and other statistical information and forecasts used throughout this Quarterly Report on Form 10-Q are based on independent industry publications, government publications and reports by market research firms or other published independent sources. Some data also is based on our good faith estimates, which are derived from our review of internal surveys, as well as independent sources. Forecasts are particularly likely to be inaccurate, especially over long periods of time.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and the materials incorporated by reference into this Quarterly Report on Form 10-Q include “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified as such because the context of the statement includes words such as “may,” “estimate,” “intend,” “plan,” “believe,” “expect,” “anticipate,” “will,” “should” or other similar expressions. Similarly, statements in this Quarterly Report on Form 10-Q that describe our objectives, plans or goals also are forward-looking statements. These statements include those made on matters such as our financial condition, litigation, accounting matters, our business, our efforts to grow our business and increase efficiencies, our efforts to use our resources judiciously, our efforts to implement new financial software, our liquidity and sources of funding and our capital expenditures. All forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date of this report. We assume no obligation to update any forward-looking statements. Certain factors that could cause actual results to differ include, among others:

- our inability to continue as a going concern;
- our history of losses, which may continue;
- our inability to utilize the funds received in a manner that is accretive;
- our inability to generate sufficient funds from operating activities to fund operations;
- difficulties in developing and marketing new products;
- our inability to prevent or minimize interruptions in our service and interruptions to customer data access, and any related impact on our reputation;
- our inability to retain existing recurring customers and attract new recurring customers;
- our inability to execute our growth and acquisition strategy;

[Table of Contents](#)

- our dependence on third-party contractors, platforms, software, websites, and technologies used in the creation and maintenance of the FilesAnywhere service; and
- general economic conditions, including among others, continuing unemployment.

For a discussion of these and other risks and uncertainties that could cause actual results to differ materially from those contained in our forward-looking statements, please refer to “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which was filed with the Securities and Exchange Commission, or SEC, on April 12, 2013.

In addition, these forward-looking statements are necessarily dependent upon assumptions and estimates that may prove to be incorrect. Accordingly, while we believe that the plans, intentions and expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these plans, intentions or expectations will be achieved. The forward-looking statements included in this report, and all subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf, are expressly qualified in their entirety by the risk factors and cautionary statements discussed in our filings under the Securities Act of 1933 and the Securities Exchange Act of 1934. We undertake no obligation to update any forward-looking statements to reflect future events or circumstances.

PART I – UNAUDITED FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements.

Immediatek, Inc.
Unaudited Consolidated Balance Sheet

	<u>March 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
Current assets:		
Cash	\$ 498,165	\$ 712,458
Accounts receivable, net	264,502	187,056
Prepaid expenses and other current assets	<u>65,660</u>	<u>76,745</u>
Total current assets	828,327	976,259
Fixed assets, net	741,428	674,241
Intangible assets, net	946,609	1,010,258
Goodwill	766,532	766,532
Other assets	<u>22,196</u>	<u>20,648</u>
Total assets	<u>\$ 3,305,092</u>	<u>\$ 3,447,938</u>
Current liabilities:		
Accounts payable	\$ 227,048	\$ 167,432
Accrued liabilities	135,095	111,503
Deferred revenue	<u>812,403</u>	<u>745,051</u>
Total current liabilities	<u>1,174,546</u>	<u>1,023,986</u>
Total liabilities	<u>1,174,546</u>	<u>1,023,986</u>
Commitments and contingencies		
Series A convertible preferred stock (conditionally redeemable); \$0.001 par value 4,392,286 authorized, issued and outstanding; redemption/liquidation preference of \$3,000,000	3,000,000	3,000,000
Series B convertible preferred stock (conditionally redeemable); \$0.001 par value 69,726 authorized, issued and outstanding; redemption/liquidation preference of \$500,000	500,000	500,000
Stockholder's deficit:		
Common stock, \$0.001 par value, 500,000,000 shares authorized, 15,865,641 shares issued and outstanding	15,865	15,865
Additional paid in capital	5,324,272	5,313,772
Accumulated deficit	<u>(6,709,591)</u>	<u>(6,405,685)</u>
Total stockholders' deficit	<u>(1,369,454)</u>	<u>(1,076,048)</u>
Total liabilities, preferred stock and stockholders' deficit	<u>\$ 3,305,092</u>	<u>\$ 3,447,938</u>

See accompanying notes to unaudited consolidated financial statements.

Immediatek, Inc.
Unaudited Consolidated Statements of Operations

	For the Quarter Ended March 31,	
	2013	2012
Revenues	\$ 816,962	\$ 772,341
Cost of revenues	(367,710)	(275,329)
Gross margin	449,252	497,012
Expenses:		
Research and development	216,460	255,246
Sales and marketing	232,920	144,020
General and administrative	212,071	251,442
Non-cash consulting expense-related party	10,500	50,500
Depreciation and amortization	81,488	83,602
Total expenses	753,439	784,810
Net operating loss	(304,187)	(287,798)
Other income (expense):		
Interest income	281	731
Interest expense	-	(296)
Total other income	281	435
Income tax expense	-	4,500
Net loss	\$ (303,906)	\$ (291,863)
Weighted average number of common shares outstanding - basic and fully diluted	15,865,641	15,865,641
Basic and diluted loss per common share attributable to common stockholders	\$ (.02)	\$ (.02)

See accompanying notes to unaudited consolidated financial statements.

Immediatek, Inc.
Unaudited Consolidated Statements of Cash Flow

	For the Quarter Ended March 31,	
	2013	2012
Cash flows from operating activities		
Net loss	\$ (303,906)	\$ (291,863)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	117,146	114,489
Non-cash consulting fees - related party	10,500	50,500
Changes in operating assets and liabilities:		
Accounts receivable	(77,446)	72,621
Prepaid expenses and other assets	9,537	(14,814)
Accounts payable	59,616	148,654
Accrued liabilities	23,592	(6,622)
Deferred revenue	67,352	30,820
Net cash provided by (used in) operating activities	(93,609)	103,785
Cash flows from investing activities		
Purchase of fixed assets	(120,684)	(103,949)
Net cash used in investing activities	(120,684)	(103,949)
Cash flows from financing activities		
Payments on capital leases	-	(4,791)
Net cash used in financing activities	-	(4,791)
Net decrease in cash	(214,293)	(4,955)
Cash at the beginning of the period	712,458	1,212,742
Cash at the end of the period	<u>\$ 498,165</u>	<u>\$ 1,207,787</u>
Supplemental disclosures:		
Interest paid	\$ -	\$ 296

See accompanying notes to unaudited consolidated financial statements.

IMMEDIATEK, INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2013

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business: Officeware Corporation (“Officeware”) provides online back-up, file storage and other web-based services for individuals, businesses and governmental organizations. Officeware offers three primary services. First, Officeware operates the website FilesAnywhere.com, primarily designed for individuals and small businesses to allow them to establish a self-service account, enabling them to, among other things, store files on Officeware servers, share and collaborate on documents with other people online, and backup their computers to FilesAnywhere cloud storage. Second, for larger business users, Officeware offers three customized products, called the FilesAnywhere Private Site, Dedicated Server, and Enterprise Server. These corporate offerings are designed to meet the specific requirements of each business customer or organization. The Private Site, Dedicated Server, and Enterprise Server products provide flexible cloud storage and unlimited scalability for users, groups and internet applications, along with client-specific branding and web interfaces, customer data interfaces, and tailored security for mixed corporate environments. Third, Officeware also provides specialized information technology services related to the development of web based databases and data storage on a contract basis for clients.

Officeware’s operations are primarily based in Bedford, Texas and, additionally, Officeware has one employee and several consultants performing research and development in India. The cost of the India operations was approximately \$140,075 and \$91,601 for the three months ended March 31, 2013 and 2012, respectively, and is included in research and development expenses in Immediatek’s consolidated financial statements.

Basis of Presentation: The accompanying unaudited consolidated financial statements of Immediatek, Inc. (“Immediatek”) have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and formatted disclosures normally included in financial statements prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) have been omitted pursuant to SEC rules and regulations. These consolidated financial statements include the accounts of Immediatek’s wholly-owned subsidiaries, Officeware, Disclive, Inc. and IMKI Ventures, Inc. (collectively, the “Company”). All significant intercompany accounts and transactions have been eliminated in these consolidated financial statements. The Company follows the Financial Accounting Standard Board’s Accounting Standards Codification (the “Codification” or “ASC”). The Codification is the single source of authoritative accounting principles applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP.

The Company’s consolidated balance sheet at March 31, 2013 and consolidated statements of operations for the three months ended March 31, 2013 and 2012 and consolidated statements of cash flows for the three months ended March 31, 2013 and 2012 are unaudited. In the opinion of management, these financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary for the fair presentation of the Company’s financial position, results of operations and cash flows. These adjustments were of a normal, recurring nature. The results of operations for the periods presented in this Quarterly Report on Form 10-Q are not necessarily indicative of the results that may be expected for the entire year. Additional information is contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which was filed with the SEC on April 12, 2013 and should be read in conjunction with this Quarterly Report on Form 10-Q.

Net Loss per Share: Net loss was used in the calculation of both basic and diluted loss per share. The weighted average number of shares of common stock outstanding was the same for calculating both basic and diluted loss per share. Series A and Series B Convertible Preferred Stock convertible into 14,794,999 shares of common stock outstanding at March 31, 2013 and March 31, 2012 were not included in the computation of diluted loss per share, as the effect of their inclusion would be anti-dilutive.

Comprehensive Loss: For all periods presented, comprehensive loss is equal to net loss.

NOTE 2 – RELATED PARTY TRANSACTIONS

Management Services Agreement. On December 31, 2009, the Company entered into a Management Services Agreement with Radical Ventures L.L.C., an affiliate of Radical Holdings LP. Pursuant to this Management Services Agreement, personnel of Radical Ventures L.L.C. will provide certain management services to the Company, including, among others, legal, financial, marketing and technology. These services are provided to us at a cost of \$3,500 per month; however, the Company will not be required to pay these fees or reimburse expenses and, accordingly, will account for these costs of services and expenses as deemed contributions to the Company. This agreement was amended on March 17, 2011, to be effective as of December 31, 2010.

This agreement may be terminated upon 30 days' written notice by Radical Ventures L.L.C. for any reason or by the Company for gross negligence. The Company also agreed to indemnify and hold harmless Radical Ventures L.L.C. for its performance of these services, except for gross negligence and willful misconduct. Further, the Company limited Radical Ventures L.L.C.'s maximum aggregate liability for damages under this agreement to the amounts deemed contributed to the Company by virtue of this agreement during twelve months prior to that cause of action.

Deemed Contribution. In March 2012, Mark Cuban, who indirectly owns Radical Investments LP and Radical Holdings LP, made a donation of \$40,000 to the organization that facilitates the St. Patrick's Day parade held annually in Dallas, Texas. In exchange for the donation, Mr. Cuban asked that FilesAnywhere be, and FilesAnywhere was, recognized as a sponsor of the parade. This donation was deemed to be an equity contribution on behalf of Officeware paid by Immediatek's indirect majority shareholder, Mark Cuban.

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

Overview

The following Management's Discussion and Analysis, or MD&A, is intended to aid the reader in understanding us, our operations and our present business environment. MD&A is provided as a supplement to, and should be read in conjunction with, our consolidated financial statements and the notes accompanying those financial statements, which are included in this Quarterly Report on Form 10-Q. MD&A includes the following sections:

- Our Business – a general description of our business, our objectives, our areas of focus and the challenges and risks of our business.
- Critical Accounting Policies and Estimates – a discussion of accounting policies that require critical judgments and estimates.
- Operations Review – an analysis of our consolidated results of operations for the periods presented in this Quarterly Report on Form 10-Q.
- Liquidity, Capital Resources and Financial Position – an analysis of our cash flows and debt and contractual obligations; and an overview of our financial condition.

Our Business

General

Immediatek is a Nevada corporation. Our principal executive offices are located at 3301 Airport Freeway, Suite 200, Bedford, Texas 76021, and our telephone number is (888) 661-6565. On April 1, 2010, Immediatek acquired Officeware by merger. As a result of such merger, Immediatek became the sole shareholder of Officeware and Officeware shareholders received 12,264,256 shares of Immediatek common stock for all of the outstanding shares of stock of Officeware. Radical Investments LP, an affiliate of Radical Holdings LP, owned 24.6% of the Officeware common stock. Radical Holdings LP owns the Company's Series A and Series B preferred stock. In addition, in connection with the merger Immediatek issued and sold, and Radical Holdings LP, Darin Divinia, Dawn Divinia, Robert Hart, Kimberly Hart and Martin Woodall collectively purchased 3,066,064 shares of Immediatek common stock for an aggregate purchase price of \$1.0 million, or approximately \$0.33 per share. Due to the merger, it was determined that the Company ceased to be in the development stage as of April 1, 2010.

Currently, the Company primarily operates in one business segment: e-commerce. Our services and products are primarily offered through Officeware. Officeware provides online back-up, file storage and other web-based services for individuals, businesses and governmental organizations. Officeware offers three primary services. First, Officeware operates the website FilesAnywhere.com, primarily designed for individuals and small businesses to allow them to establish a self-service account, enabling them to, among other things, store files on Officeware servers, share and collaborate on documents with other people online, and backup their computers to FilesAnywhere cloud storage. Second, for larger business users, Officeware offers three customized products, called the FilesAnywhere Private Site, Dedicated Server, and Enterprise Server. These corporate offerings are designed to meet the specific requirements of each business customer or organization. The Private Site, Dedicated Server, and Enterprise Server products provide flexible cloud storage and unlimited scalability for users, groups and internet applications, along with client-specific branding and web interfaces, customer data interfaces, and tailored security for mixed corporate environments. Third, Officeware also provides specialized information technology services related to the development of web based databases and data storage on a contract basis for clients.

Officeware's operations are primarily based in Bedford, Texas and, additionally, Officeware has one employee and several consultants performing research and development in India.

As a result of services provided to larger business users, our business can depend on one or a few major customers, which could potentially expose the Company to concentration of credit risk. Our revenue and receivables are comprised principally of amounts due from customers throughout the United States.

History of Operating Losses

The following tables present our net loss and cash provided by or used in operating activities for the periods indicated.

	For the Three Months Ended March 31,	
	2013	2012
	(unaudited)	(unaudited)
Net loss	\$ (303,906)	\$ (291,863)
Net cash provided by (used in) operating activities	\$ (93,609)	\$ 103,785

Our existence and operations are dependent upon our ability to generate sufficient funds from operations to fund operating activities.

We funded our operations during the three months ended March 31, 2013, primarily from the income generated by Officeware and the remaining cash from the sale of 3,066,064 shares of Company common stock for an aggregate purchase price of \$1 million on April 1, 2010. Management estimates that the Company will generate sufficient funds from operations to fund future operating activities, though the Company anticipates that any excess funds generated would be reinvested into the Company through our increased investment in infrastructure, marketing, sales operations, capital expenditures and research and development.

Our Objectives and Areas of Focus

Officeware – Increase Users. We are focused on increasing the number of users of the various online back-up, file storage and other web-based services for individuals, businesses and governmental organizations offered through Officeware. We may pursue aggressive advertising campaigns or other promotions primarily aimed at new users along with utilizing third party value added resellers.

Acquisitions. In addition to the Officeware acquisition that was consummated on April 1, 2010, we may identify and pursue additional potential acquisition candidates to support our strategy of growing and diversifying our business through selective acquisitions. No assurances can be given, however, that we will be successful in identifying any potential targets and, when identified, consummating their acquisition.

Challenges and Risks

Operating in the e-commerce area provides unique opportunities; however, challenges and risks accompany those opportunities. Our management has identified the following material challenges and risks that will require substantive attention from our management (*see* “Liquidity and Capital Resources and Financial Position—Liquidity” beginning on page 12).

Utilizing Funds on Hand in a Manner that is Accretive. If we do not manage our assets aggressively and apply available capital judiciously, we may not generate sufficient cash from our operating activities to fund our operations going forward, which would require us to seek additional funding in the future.

Growing Users. In order to be successful with the products and services offered through Officeware, we will be required to attract new customers and deepen the current customer relationships that we currently have. Our largest clients require customized solutions, which in turn requires us to anticipate their needs.

Competition. There are companies in this industry that have far more financial resources and a larger market share than us. In order to compete with these companies, we will be required to be innovative and create more attractive functions and features while maintaining a competitive price structure.

Additionally, see “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which was filed with the SEC on April 12, 2013.

Challenges and risks, including those described above, if not properly addressed or managed, may have a material adverse effect on our business. Our management, however, is endeavoring to properly manage and address these challenges and risks.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with GAAP in the United States of America, which requires management to make estimates, judgments and assumptions with respect to the amounts reported in the consolidated financial statements and in the notes accompanying those financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles, however, have been condensed or omitted pursuant to the rules and regulations promulgated by the SEC. We believe that the most critical accounting policies and estimates relate to the following:

- *Convertible Securities.* From time to time, we have issued, and in the future may issue, convertible securities with beneficial conversion features. We account for these convertible securities in accordance with ASC Topic 470, *Beneficial Conversion Feature*.
- *Revenue Recognition.* Officeware generates revenue primarily from monthly fees for the services and products that it offers. While revenues for Officeware’s FilesAnywhere.com product are often received in advance of providing the applicable service, the Company defers recognizing such revenues until the service has been performed. Revenues for Officeware’s custom products for large enterprises are often received after such services are provided. The Company recognizes such revenues when service has been provided and collection is reasonably assured.

While our estimates and assumptions are based upon our knowledge of current events and actions we may undertake in the future, actual results may ultimately differ from those estimates and assumptions.

Operations Review

**The Three Months Ended March 31, 2013 Compared to
the Three Months Ended March 31, 2012**

	For the Three Months Ended March 31,		2013 vs. 2012	
	2013	2012	Fav/(Unfav) Variance	% Variance
Revenues	\$ 816,962	\$ 772,341	\$ 44,621	5.78%
Cost of revenues	(367,710)	(275,329)	(92,381)	(33.55%)
Gross margin	449,252	497,012	(47,760)	(9.61%)
Expenses:				
Research and development	216,460	255,246	38,786	15.20%
Sales and marketing	232,920	144,020	(88,900)	(61.73%)
General and administrative	212,071	251,442	39,371	15.66%
Non-cash consulting expense-related party	10,500	50,500	40,000	79.21%
Depreciation and amortization	81,488	83,602	2,114	2.53%
Total expenses	753,439	784,810	31,371	4.00%
Net operating loss	(304,187)	(287,798)	(16,389)	(5.69%)
Other income (expense):				
Interest income	281	731	(450)	(61.56%)
Interest expense	-	(296)	296	100.00%
Total other income	281	435	(154)	(35.40%)
Income tax expense	-	4,500	4,500	100.00%
Net loss	\$ (303,906)	\$ (291,863)	\$ (12,043)	(4.13%)
Weighted average number of common shares				
outstanding - basic and fully diluted	15,865,641	15,865,641	-	-
Basic and diluted loss per common share				
attributable to common stockholders	\$ (0.02)	\$ (0.02)	-	-

Three Months Ended March 31, 2013 Compared to Three Months Ended March 31, 2012

Revenues and Cost of Revenues

Revenues and Cost of Revenues. Revenues have increased for the three month period ended March 31, 2013 compared to the three month period ended March 31, 2012. This increase is due to several service upgrades from our large corporate clients over the last few months. On the consumer side we have seen a decrease that is attributed to pricing pressures from our competitors. In an effort to resolve this issue, we are actively working on significant enhancements to our FilesAnywhere product that we expect to result in increased users and, consequently, increased market share. We have also made several hardware enhancements to improve our storage capabilities and thus allow us to become more price competitive on the consumer products. No assurances, however, can be given that we will be able to attract a significant number of additional users or market share, as demand for our online storage solutions is sensitive to price. Many factors, including our advertising, customer acquisition and technology costs, and our current and future competitors' pricing and marketing strategies, can significantly affect our pricing strategies. Certain of our competitors offer, or may in the future offer, lower-priced or free products or services that compete with our solutions. There can be no assurance that we will not be forced to engage in price-cutting initiatives, or to increase our advertising and other expenses to attract and retain customers in response to competitive pressures, either of which could have a material adverse effect on our revenue and operating results.

Cost of revenues also increased, as we are still developing the base infrastructure departments and service support for our customers in order to efficiently scale our business. This increase of approximately 34% over the three month period ending March 31, 2012 was primarily attributed to the increased investment in staffing in both the support and infrastructure departments, expenses associated with the data center migration along with some non-recurring expenses associated with staffing. We are actively working to establish a business model which is able to more efficiently translate growth in revenues directly into growth in profit margins.

Research and Development. Research and development expenses decreased for the three month period ended March 31, 2013, as compared to the three month period ended March 31, 2012. This was primarily due to a reduction of staffing in Bedford, Texas. This reduction was partially offset with an increase in programming consultants in India. This move allows us to consolidate a significant portion of programming resources under the same direct supervision, thus becoming more efficient.

Sales and Marketing. Sales and Marketing expenses increased compared to the same three month period last year, as we have increased the staffing resources in both the sales and marketing departments in efforts to generate additional sales. We have also taken additional steps with online marketing efforts in an attempt to recapture the lost consumer sales. While we anticipate that we will continue to grow our sales and marketing function, our challenge will be to ensure that these additions result in increases to our revenues. No assurances can be given that these additions will create an increase in revenue.

General and Administrative Expense. General and administrative expense decreased for the three month period ended March 31, 2013, as compared to the three month period ended March 31, 2012. The difference was primarily the result of a reduction in professional fees such as legal and accounting.

Non-Cash Consulting Expense – Related Party. Non-cash consulting expense – related party decreased in the three months ended March 31, 2013 versus 2012 due to a donation in 2012 of \$40,000 from Mark Cuban to the organization which facilitates the St. Patrick's Day parade held annually in Dallas, Texas. In exchange for the donation, Mr. Cuban asked that FilesAnywhere be, and FilesAnywhere was, recognized as a sponsor of the parade. This donation was deemed to be an equity contribution on behalf of Officeware paid by Immediatek's indirect majority shareholder, Mark Cuban.

Depreciation and Amortization. Depreciation and Amortization expense did not have a material change on a three month comparison basis.

Net Operating Loss and Net Loss

Net operating loss was \$304,187 for the three months ended March 31, 2013, which is an increase of \$16,389, or 5.69%, from \$287,798 for the corresponding period in 2012. This increase in net loss is attributed to the increased investment in sales and marketing along with the continued investment in our infrastructure departments and product development. We hope with these increased investments that we will regain lost market share on our consumer business that has been lost due to downward pricing pressures from our competitors. We also expect that the new product enhancements will drive increased corporate sales.

Net loss was \$303,906 for the three months ended March 31, 2013 compared to \$291,863 for the same period of 2012.

Liquidity and Capital Resources and Financial Position

General

On April 1, 2010, we closed the merger with Officeware and stock sale described above under "Our Business—General."

We funded our operations during the three months ended March 31, 2013, primarily from the cash generated from Officeware's operations. As of March 31, 2013, we had \$498,165 of cash, which management anticipates will sustain our operations. Management anticipates that the operating cash flows of the Company will be positive for the fiscal year ending December 31, 2013. However, no assurances can be given that we will ever achieve profitability. If we need to seek additional funds, our ability to obtain financing will depend, among other things, on our development efforts, business plans, operating performance and condition of the capital markets at the time we seek financing. No assurances can be given that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of our common stock, and our stockholders may experience dilution.

Our goal is to increase the products and services offered through Officeware, which we expect will generate sufficient revenue to support our operations. No assurances, however, can be given that these lines of business will generate sufficient operating funds to support our operating activities. In addition, we are exploring whether other companies may have interest in utilizing our technology to deliver their content and allow for interactivity with their customers or users across these various platforms.

The demand for our Officeware products and services is currently decreasing due to competitive pricing strategies by our competitors. We expect to reverse this trend after we implement our new storage platform in the second quarter. This will allow us to become more price competitive with our base consumer product. We will also roll out significant enhancements to our product that should increase the marketability of our overall product line.

We may also pursue various acquisition targets that could provide us with operating funds to support our activities. In the event that we acquire a target, depending on the nature of that target, we may require additional funds to consummate the acquisition or support our operations going forward. No assurances, however, can be given that we will be able to identify a potential target, consummate the acquisition of the target and, if consummated, integrate the target company and realize funds from operations.

Operating Activities. Cash used in operations was \$93,609 in the three months ended March 31, 2013, as compared to cash provided by operations in the amount of \$103,785 for the three months ended March 31, 2012. The increase in cash used in operations was primarily attributed to a larger net loss in 2013 and an increase in accounts receivable over 2012. The increase was caused by the slow pay of a couple of large customers. These accounts have subsequently been collected.

Investing Activities. Cash used for investing activities was \$120,684 and \$103,949 for the three months ended March 31, 2013 or March 31, 2012, respectively. The cash outlay was for capital expenditures made to upgrade our data center infrastructure in order to provide a more cost effective method of data storage. This equipment upgrade was deemed necessary to maintain a competitive pricing strategy in today's marketplace.

Financing Activities. Cash used for financing activities was \$0 and \$4,791 for the three months ended March 31, 2013 and March 31, 2012, respectively. The decrease was from the fact that we had paid all capital leases off in 2012 and obtained no other financing activities in 2013.

Our material commitments for capital expenditures as of March 31, 2013 are \$81,382. We intend to use funds generated by the operation of Officeware to meet these commitments.

Liquidity

We believe that the funds remaining from the issuance of common stock in 2010, and funds generated by the operation of Officeware will provide us with the necessary funds to operate our business. While we have also undertaken various plans and measures that we believe will increase funds generated from operating activities, no assurances can be given that those plans and measures will be successful.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Evaluation of disclosure controls and procedures. Our chief executive officer and president (our principal executive officer) and our chief financial officer (our principal financial officer) are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act) for us. Based on the evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) required by Exchange Act Rules 13a-15(b) or 15d-15(b), our principal executive officer and our principal financial officer have concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective.

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

PART II — OTHER INFORMATION**Item 1. Legal Proceedings.**

The Company is involved from time to time in claims, proceedings and litigation. Please refer to “Item 3. Legal Proceedings” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which was filed with the Securities and Exchange Commission, or SEC, on April 12, 2013.

From time to time we may become subject to additional proceedings, lawsuits and other claims in the ordinary course of business, including proceedings related to our services, applications and other matters. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance.

Item 6. Exhibits.

The following exhibits are filed in accordance with the provisions of Item 601 of Regulation S-K.

Exhibit Number	Description of Exhibit
3.1	Amended and Restated Articles of Incorporation of the Registrant, dated as of June 2, 2006 and filed with the Secretary of State of the State of Nevada on June 5, 2006 (filed as Exhibit 3.1 to the Registrant’s Quarterly Report on Form 10-QSB for quarter ended March 31, 2006 (filed on June 26, 2006) and incorporated herein by reference).
3.2	Bylaws of the Registrant (filed as Exhibit 3.2 to the Registrant’s Annual Report on Form 10-KSB for year ended December 31, 2005 (filed on May 11, 2006) and incorporated herein by reference).
4.1	Form of common stock certificate of the Registrant (filed as Exhibit 4.1 to the Registrant’s Annual Report on Form 10-KSB for year ended December 31, 2005 (filed on May 11, 2006) and incorporated herein by reference).
4.2	Amended and Restated Certificate of Designation, Rights and Preferences of Series A Convertible Preferred Stock of the Registrant, dated as of October 13, 2009 and filed with the Secretary of State of the State of Nevada on October 15, 2009 (filed as Exhibit 4.1 to the Registrant’s Form 8-K (filed on October 19, 2009) and incorporated herein by reference).
4.3	Form of stock certificate for Series A Convertible Preferred Stock (filed as Exhibit 4.8 to the Registrant’s Quarterly Report on Form 10-QSB for quarter ended March 31, 2006 (filed on June 26, 2006) and incorporated herein by reference).
4.4	Amended and Restated Certificate of Designation, Rights and Preferences of Series B Convertible Preferred Stock of the Registrant, dated as of October 13, 2009 and filed with the Secretary of State of the State of Nevada on October 15, 2009 (filed as Exhibit 4.2 to the Registrant’s Form 8-K (filed on October 19, 2009) and incorporated herein by reference).
4.5	Form of stock certificate for Series B Convertible Preferred Stock (filed as Exhibit 4.5 to the Registrant’s Annual Report on Form 10-K for year ended December 31, 2008 (filed on March 31, 2009) and incorporated herein by reference).
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act.
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act.
32.1*	Certification Required by 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002).
32.2*	Certification Required by 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002).
101**	XBRL data files of Financial Statements and Notes contained in this Quarterly Report on Form 10-Q.

* Indicates document filed herewith.

** Indicates document furnished herewith. In accordance with Regulation S-T, the XBRL-formatted interactive data files that comprise Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed “furnished” and not “filed.”

SIGNATURES

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

Date: May 15, 2013

IMMEDIATEK, INC.,
a Nevada corporation

By: /s/ Timothy M. Rice

Name: Timothy M. Rice

Title: Chief Executive Officer

(On behalf of the Registrant and as Principal
Executive Officer)

Date: May 15, 2013

By: /s/ Timothy McCrory

Name: Timothy McCrory

Title: Chief Financial Officer

(On behalf of the Registrant and as Principal
Financial Officer)

INDEX TO EXHIBITS

Exhibit Number	Description of Exhibit
3.1	Amended and Restated Articles of Incorporation of the Registrant, dated as of June 2, 2006 and filed with the Secretary of State of the State of Nevada on June 5, 2006 (filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-QSB for quarter ended March 31, 2006 (filed on June 26, 2006) and incorporated herein by reference).
3.2	Bylaws of the Registrant (filed as Exhibit 3.2 to the Registrant's Annual Report on Form 10-KSB for year ended December 31, 2005 (filed on May 11, 2006) and incorporated herein by reference).
4.1	Form of common stock certificate of the Registrant (filed as Exhibit 4.1 to the Registrant's Annual Report on Form 10-KSB for year ended December 31, 2005 (filed on May 11, 2006) and incorporated herein by reference).
4.2	Amended and Restated Certificate of Designation, Rights and Preferences of Series A Convertible Preferred Stock of the Registrant, dated as of October 13, 2009 and filed with the Secretary of State of the State of Nevada on October 15, 2009 (filed as Exhibit 4.1 to the Registrant's Form 8-K (filed on October 19, 2009) and incorporated herein by reference).
4.3	Form of stock certificate for Series A Convertible Preferred Stock (filed as Exhibit 4.8 to the Registrant's Quarterly Report on Form 10-QSB for quarter ended March 31, 2006 (filed on June 26, 2006) and incorporated herein by reference).
4.4	Amended and Restated Certificate of Designation, Rights and Preferences of Series B Convertible Preferred Stock of the Registrant, dated as of October 13, 2009 and filed with the Secretary of State of the State of Nevada on October 15, 2009 (filed as Exhibit 4.2 to the Registrant's Form 8-K (filed on October 19, 2009) and incorporated herein by reference).
4.5	Form of stock certificate for Series B Convertible Preferred Stock (filed as Exhibit 4.5 to the Registrant's Annual Report on Form 10-K for year ended December 31, 2008 (filed on March 31, 2009) and incorporated herein by reference).
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act.
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act.
32.1*	Certification Required by 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002).
32.2*	Certification Required by 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002).
101**	XBRL data files of Financial Statements and Notes contained in this Quarterly Report on Form 10-Q.

* Indicates document filed herewith.

** Indicates document furnished herewith. In accordance with Regulation S-T, the XBRL-formatted interactive data files that comprise Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed "furnished" and not "filed."

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Timothy M. Rice, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Immediatek, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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 registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Dated: May 15, 2013

/s/ Timothy M. Rice
Timothy M. Rice
Chief Executive Officer and President
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Timothy McCrory, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Immediatek, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this 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 registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Dated: May 15, 2013

/s/ Timothy McCrory
Timothy McCrory
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Required by 18 U.S.C. Section 1350
(As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of Immediatek, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Timothy M. Rice, as Principal Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2013

/s/ Timothy M. Rice

Timothy M. Rice
Chief Executive Officer and
President (Principal Executive
Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Required by 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report of Immediatek, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Timothy McCrory, as Principal Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2013

/s/ Timothy McCrory

Timothy McCrory
Chief Financial Officer
(Principal Financial Officer)
