

SIELOX INC
Form 10-Q
November 19, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-Q

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

For the quarterly period ended September 30, 2007

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

For the transition period from _____ to _____

Commission file number 000-29423

SIELOX, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3351937
(I.R.S. Employer Identification No.)

170 East Ninth Ave., Rummelmede, NJ 08078

(Address of principal executive offices - zip code)

(856) 861-4579

(Registrant's telephone number, including area code)

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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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12-b of the Exchange Act.

Large Accelerated filer

Accelerated filer

Non-accelerated filer

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

Yes No

The number of shares outstanding of the registrant's common stock as of November 13, 2007 was 41,981,386.

SIELOX, INC. AND SUBSIDIARIES

(formerly known as DYNABAZAAR, INC.)

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ITEM 1. FINANCIAL STATEMENTS

SIELOX, INC. (formerly known as DYNABAZAAR, INC.) AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(\$ in thousands)

	September 30, 2007 (unaudited)	December 31, 2006 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,826	\$ 2,938
Accounts receivable, net of allowance for doubtful accounts of \$34 and \$10 in 2007 and 2006, respectively	4,270	2,053
Inventory, net	5,531	3,738
Prepaid expenses	579	496
Total current assets	13,206	9,225
Fixed assets	388	92
Trade Name	1,587	1,587
Other intangibles, net	2,659	2,933
Goodwill	2,029	
Deposits	48	4
	631	694
Long-term prepaid expenses		
Total assets	\$ 20,548	\$ 14,535
LIABILITIES AND STOCKHOLDERS' EQUITY		

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Current liabilities:		
Accounts payable	\$ 3,517	\$ 1,436
Accrued expenses and other current liabilities	356	185
Line of credit	1,387	729
Obligations under capital lease	12	
Total current liabilities	5,272	2,350
LONG TERM LIABILITIES		
Long term liability	1,683	2,225
Obligations under capital lease	37	
Total long term liabilities	1,720	2,225
Stockholders' equity:		
Common stock, \$0.001 par value, 90,000,000 shares authorized, and 41,981,386 and 29,726,385 shares issued as of September 30, 2007 and December 31, 2006, respectively	42	30
Additional paid-in capital	155,774	151,757
Accumulated other comprehensive income, net	260	260
Accumulated deficit	(138,050)	(137,617)
	18,026	14,430
Less: Common stock held in treasury, at cost; 6,034,629 shares at September 30, 2007 and December 31, 2006	(4,470	