

KLEVER MARKETING INC  
Form 10-Q  
May 15, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q**

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

**FOR THE QUARTERLY PERIOD ENDED March 31, 2015**

**o 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: 000-18730

Klever Marketing, Inc.

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

Delaware

(State or other jurisdiction of incorporation or organization)

36-3688583

(I.R.S. Employer Identification No.)

1100 East 6600 South, Suite 305, Salt Lake City, UT 84121

(Address of principal executive offices)

(801) 847-6444

(Issuer's Telephone Number)

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

Indicate by check mark whether the registrant 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).

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

**APPLICABLE ONLY TO CORPORATE ISSUERS**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practical date. As of May 11, 2015 there were 55,126,162 shares of the issuer's \$.01 par value common stock issued and outstanding.

**KLEVER MARKETING, INC.**

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**PART I – FINANCIAL INFORMATION****Item 1. Financial Statements****KLEVER MARKETING, INC.**

## Balance Sheets

**ASSETS**

	(Unaudited)	
	March 31, 2015	December 31, 2014
<b>CURRENT ASSETS</b>		
Cash	\$20,540	\$23,194
Total Current Assets	20,540	23,194
<b>FIXED ASSETS</b>		
Capitalized software development and licenses	489,273	451,706
Office Equipment	3,350	3,350
Less accumulated depreciation	(2,633 )	(2,522 )
Total Fixed Assets	489,990	452,534
<b>OTHER ASSETS</b>		
Intangibles, net	67,685	64,699
Total Other Assets	67,685	64,699
<b>TOTAL ASSETS</b>	<b>\$578,215</b>	<b>\$540,427</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$345,436	\$315,180
Accrued liabilities	245,601	201,814
Preferred stock dividends	–	30,063
Related party notes payable	3,500	3,500
Total Current Liabilities	594,537	550,557
Total Liabilities	594,537	550,557

## STOCKHOLDERS' DEFICIT

Convertible preferred stock - Class A ( par value \$0.01; 150,000 shares authorized; 138,217 and 132,582 issued and outstanding at March 31, 2015 and December 31, 2014, respectively); aggregate liquidation preference of \$3,593,642.	1,382	1,326
Convertible preferred stock - Class B ( par value \$0.01; 125,000 shares authorized; 104,757 and 100,486 issued and outstanding at March 31, 2015 and December 31, 2014 respectively); aggregate liquidation preference of \$1,780,869.	1,048	1,005
Convertible preferred stock - Class C ( par value \$0.01; 200,000 shares authorized; 184,194 and 176,685 issued and outstanding at March 31, 2015 and December 31, 2014 respectively); aggregate liquidation preference of \$1,215,680.	1,842	1,767
Common stock (par value \$0.01), 250,000,000 shares authorized, 54,563,662 and 53,691,043 shares issued and outstanding, at March 31, 2015 and December 31, 2014, respectively.	545,637	536,910
Treasury stock, 100,000 shares at March 31, 2015 and December 31, 2014.	(1,000 )	(1,000 )
Paid in capital in excess of par value	18,008,739	17,935,076
Retained deficit	(18,573,970)	(18,485,214)
Total Stockholders' Deficit	(16,322 )	(10,130 )
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$578,215	\$540,427

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

**KLEVER MARKETING, INC.**

## Statements of Operations

(Unaudited)

	For the Three Months Ended March 31,	
	2015	2014
<b>OPERATING EXPENSES</b>		
General and administrative	\$86,863	\$66,662
Research and development	1,606	2,141
Total Operating Expenses	88,469	68,803
<b>OTHER INCOME</b>		
Litigation settlements	–	41,250
Total Other Income (Expense)	–	41,250
<b>NET LOSS BEFORE INCOME TAXES</b>	(88,469 )	(27,553 )
<b>INCOME TAXES</b>	(287 )	(274 )
<b>NET LOSS</b>	\$(88,756 )	\$(27,827 )
<b>BASIC LOSS PER COMMON SHARE</b>	\$(0.00 )	\$(0.00 )
<b>FULLY DILUTED LOSS PER COMMON SHARE</b>	\$(0.00 )	\$(0.00 )
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND FULLY DILUTED</b>	54,051,824	51,728,568

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

**KLEVER MARKETING, INC.**

## Statement of Stockholders' Equity

(Unaudited)

	Preferred Stock		Common Stock		Treasury Stock	Capital in Excess of Par Value	Retained Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance, December 31, 2014	409,753	\$4,098	53,691,043	\$536,910	\$(1,000)	\$17,935,076	\$(18,485,214)	\$(10,130)
Common stock issued for cash at \$0.05 per share	—	—	350,000	3,500	—	14,000	—	17,500
Common stock issued for cash at \$0.05 per share	—	—	208,333	2,084	—	10,416	—	12,500
Common stock issued for cash at \$0.07 per share	—	—	214,286	2,143	—	12,857	—	15,000
Common stock issued for cash at \$0.075 per share	—	—	100,000	1,000	—	6,500	—	7,500
Accrual for preferred stock dividend	—	—	—	—	—	(41,788)	—	(41,788)
Preferred stock issued as dividends	17,415	174	—	—	—	71,678	—	71,852
Net loss	—	—	—	—	—	—	(88,756)	(88,756)
Balance, March 31, 2015	427,168	\$4,272	54,563,662	\$545,637	\$(1,000)	\$18,008,739	\$(18,573,970)	\$(16,322)



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

**KLEVER MARKETING, INC.**

## Statements of Cash Flows

(Unaudited)

	For the Three Months Ended March 31,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$(88,756)	\$(27,827)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	4,920	5,600
Changes in operating assets and liabilities:		
Increase in accounts payable	30,256	18,785
Increase in accrued liabilities	43,787	27,274
Net Cash (Used by) Provided by Operating Activities	(9,793 )	23,832
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Capitalized software development costs	(37,567)	(43,904)
Intellectual property development costs	(7,794 )	(4,161 )
Net Cash Used by Investing Activities	(45,361)	(48,065)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from capital stock issued	52,500	–
Net Cash Provided by Financing Activities	52,500	–
<b>NET DECREASE IN CASH</b>	<b>(2,654 )</b>	<b>(24,233)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>23,194</b>	<b>51,654</b>
<b>CASH AT END OF PERIOD</b>	<b>\$20,540</b>	<b>\$27,421</b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash Paid For:		
Interest	\$–	\$–
Income taxes	\$–	\$–

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Non-Cash Transactions for Investing and Financing Activities:

Common stock issued for capitalized software development	\$-	\$6,600
Accrual for preferred stock dividends payable with preferred shares	\$41,788	\$24,030
Preferred stock issued to pay dividends	\$71,852	\$-

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

**KLEVER MARKETING, INC.**

Notes to Condensed Financial Statements

(Unaudited)

**NOTE 1 – BASIS OF FINANCIAL STATEMENT PRESENTATION**

The accompanying unaudited financial statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) have been condensed or omitted in accordance with such rules and regulations. The information furnished in the interim condensed financial statements includes normal recurring adjustments and reflects all adjustments, which, in the opinion of management, are necessary for a fair presentation of such financial statements. Although management believes the disclosures and information presented are adequate to make the information not misleading, it is suggested that these interim condensed financial statements be read in conjunction with the Company's audited financial statements and notes thereto included in its December 31, 2014 Annual Report on Form 10-K. Operating results for the three months ended March 31, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015.

Klever Marketing, Inc. (the “Company”) was created to develop, market and distribute an electronic shopping cart device for in-store advertising, promotion and media content and retail shopper services and has not commenced its planned principal operations. The Company’s activities since inception have consisted principally of developing various applications of its electronic shopping cart concept including its mobile application for smart phones which the Company is currently testing in retail supermarkets, obtaining patents and trademarks related to its technology, and raising capital. The Company’s activities are subject to significant risks and uncertainties including failing to secure additional funding needed to finalize development of the Company’s technology and to commercialize its product in a profitable manner.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

Earnings Per Common Share

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The computations of basic and fully diluted earnings per share of common stock are based on the weighted average number of common shares outstanding during the period of the financial statements, plus the common stock equivalents which would arise from the exercise of stock options and warrants outstanding during the period, or the exercise of convertible preferred stock. For the periods where the Company incurred a net loss, common stock equivalents related to the conversion of preferred rights have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

Following is a reconciliation of the income (loss) per share for the three months ended March 31, 2015 and 2014, respectively:

	Three Months Ending March 31,	
	2015	2014
Numerator:		
Net income (loss)	\$(88,756 )	\$(27,827 )
Denominator:		
Weighted-average common shares outstanding		
Basic	54,051,824	51,728,568
Conversion of preferred rights	—	—
Diluted	54,051,824	51,728,568
Income (loss) per share		
Basic		
Net income (loss)	\$(0.00 )	\$(0.00 )
Diluted		
Net income (loss)	\$(0.00 )	\$(0.00 )

**KLEVER MARKETING, INC.**

Notes to Condensed Financial Statements

(Unaudited)

Capitalized Software Development

The Company capitalizes software development costs incurred from the time technological feasibility has been obtained until the product is generally released to customers. The Company achieved technological feasibility with regard to its mobile phone technology during the fourth quarter of 2010. The Company had \$489,273 and \$451,706 of capitalized software development costs as of March 31, 2015 and December 31, 2014, respectively.

Income Taxes

The Company accounts for income taxes pursuant to ASC 740, *Income Taxes* (“ASC 740”). Under this accounting standard, deferred tax assets and liabilities are determined based on temporary differences between the bases of certain assets and liabilities for income tax and financial reporting purposes. The deferred tax assets and liabilities are classified according to the financial statement classification of the assets and liabilities generating the differences. Given the Company’s history of losses, the Company maintains a full valuation allowance with respect to any deferred tax assets.

ASC 740 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more-likely-than-not threshold is met, a company must measure the uncertain tax position to determine the amount to recognize in the financial statements. Our uncertain tax positions relate to certain state tax issues for which we have recorded an estimated current liability for in the accompanying financial statements at March 31, 2015 and December 31, 2014. There has been no significant change in the unrecognized tax benefit through March 31, 2015 except for accruing additional interest and penalties. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision. The Company has not identified any uncertain tax positions for which it is reasonably possible that the total amount of liability for unrecognized tax positions will significantly increase or decrease within the next 12 months.

The Company establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company’s financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carry-forward period under the Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the realizability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change in estimate.

The Company files income tax returns in the U.S. federal and Utah jurisdictions. Tax years 2011 to current remain open to examination by U.S. federal and state tax authorities.

From inception through March 31, 2015, the Company has incurred net losses and, therefore, had no federal income tax liability. To date, the Company has incurred the statutory minimum tax liability for state taxes and has accrued for its uncertain state tax position described above. The net deferred tax asset generated by the loss carry-forwards has been fully reserved. The cumulative federal net operating loss carry-forward is approximately \$14.7 million as of March 31, 2015, and will expire in the years 2018 through 2035. The cumulative state net operating loss carry-forward is approximately \$5.1 million as of March 31, 2015, and will expire in the years 2017 through 2030.

#### Research and Development

The Company continues to develop its technology which facilitates the use of in-store advertising and coupon services through various technologies. As time and technology have progressed, the system being developed by the Company comprises mobile and other state of the art technology that facilitates retailers and package good companies to provide "product specific" point-of-purchase advertising to its customers using proprietary software. The Company is currently developing mobile smart phone technology that will provide similar functionality to the Klever-Kart System.

During the three months ended March 31, 2015 and 2014, the Company incurred costs of \$1,606 and \$2,141 respectively, for research and development of its technologies.

**KLEVER MARKETING, INC.**

Notes to Condensed Financial Statements

(Unaudited)

Fair Value of Financial Instruments

The FASB provides the framework for measuring fair value. This guidance defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows: Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The carrying amounts reported in the accompanying balance sheets as of March 31, 2015 and December 31, 2014 for cash and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and expected realization and their current market rate of interest.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) that are adopted by the Company as of the specified effective date or earlier if allowed. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company’s financial statements upon adoption.

***Adoption of ASU 2014-10 Development Stage Entities***

In June 2014, the FASB issued Accounting Standards Update (“ASU”) ASU 2014-10 *Development Stage Entities*. The amendments in ASU 2014-10 remove the definition of a development stage entity from Topic 915 *Development Stage Entities*, thereby removing the distinction between development stage entities and other reporting entities from US GAAP. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information in the statements of operations, cash flows, and shareholder’s equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage



activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The amendments also clarify that the guidance in Topic 275, *Risks and Uncertainties*, is applicable to entities that have not commenced planned principal operations. ASU 2014-10 is effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. The Company may early adopt ASU 2014-10 for any annual reporting period or interim period for which the entity's financial statements have not yet been issued.

The Company adopted this standard effective April 1, 2014. The Company's financial statements have been impacted by the adoption of this ASU mainly by the removal of inception-to-date information in the Company's statements of operations, cash flows, and stockholders' equity.

### ***ASU 2014-09 Revenue from Contracts with Customers***

In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers*. The amendments in ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in Topic 605 *Revenue Recognition*, and most industry-specific guidance, and creates a Topic 606 *Revenue from Contracts with Customers*.

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

**KLEVER MARKETING, INC.**

Notes to Condensed Financial Statements

(Unaudited)

ASU 2014-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted. The Company's current financial statements will not be affected by the adoption of ASU 2014-09 as the Company has not recognized revenues.

**NOTE 3 – GOING CONCERN**

As shown in the accompanying financial statements, the Company generated a net loss of \$88,756 during the three months ended March 31, 2015. The Company did not generate any revenue from product sales during the three months ended March 31, 2015 or March 31, 2014. As of March 31, 2015, the Company's current and total liabilities exceeded its current assets by \$573,997. As of March 31, 2015, the Company had \$20,540 of cash available on hand.

The Company will require additional funding during the next twelve months to finance the growth of its current operations and achieve its strategic objectives. These factors, as well as the uncertain conditions that the Company faces relative to capital raising activities, create substantial doubt as to the Company's ability to continue as a going concern. The Company is seeking to raise additional capital principally through private placement offerings and is targeting strategic partners in an effort to finalize the development of its products and begin generating revenues. The ability of the Company to continue as a going concern is dependent upon the success of future capital offerings or alternative financing arrangements and expansion of its operations. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern. Management is actively pursuing additional sources of financing sufficient to generate enough cash flow to fund its operations through calendar year 2015. However, management cannot make any assurances that such financing will be secured.

**NOTE 4 – PREFERRED STOCK**

Authorized Shares

In accordance with the Company's bylaws, the Company has authorized a total of 2,000,000 shares of preferred stock for all classes. As of March 31, 2015 and December 31, 2014, there were 427,168 and 409,753 preferred shares issued and outstanding, for all classes, respectively. As of March 31, 2015, all of the Company's outstanding preferred shares

are owned by a Company that is controlled by the Company's CEO.

### Preferred Stock Dividends

As of March 31, 2015, the Company had no accrued and unpaid preferred stock dividends. To date all accrued dividends for preferred stock have been authorized for payment through the issuance of preferred stock based on the ratios for each class of preferred stock described below.

### Class A Voting Preferred Stock

The Company has 150,000 shares of "Class A Voting Preferred Stock" ("Class A Shares") authorized. As of March 31, 2015 and December 31, 2014, there were 138,217 and 132,582 Class A Shares outstanding, respectively. The Class A Shares are convertible into 99.035 shares of common stock. Holders of Class A Shares are entitled to receive dividends at the rate of \$2.20 per share per annum, payable semi-annually. Dividends are cumulative and may be paid in cash or in kind through the distribution of .0425 Class A Shares, Series 1, for each outstanding Class A Share, on each dividend payment date. Class A Shares carry a liquidation preference of \$26.00 per share plus any accrued but unpaid dividends on such shares, if any, and adjusted for combinations, splits, dividends or distributions of shares of stock with respect to such shares. Class A shares are redeemable by the Company, in whole or in part, at the option of the Board of Directors of the Company, at any time.

### Class B Voting Preferred Stock

The Company has 125,000 shares of "Class B Voting Preferred Stock" ("Class B Shares") authorized. As of March 31, 2015 and December 31, 2014, there were 104,757 and 100,486 Class B Shares outstanding, respectively. The Class B Shares are convertible into 64.754 shares of common stock. Holders of Class B Shares are entitled to receive dividends at the rate of \$1.70 per share per annum, payable semi-annually. Dividends are cumulative and may be paid in cash or in kind through the distribution of .0425 Class B Shares for each outstanding Class B Share, on each dividend payment date. Class B Shares carry a liquidation preference of \$17.00 per share plus any accrued but unpaid dividends on such shares, if any, and adjusted for combinations, splits, dividends or distributions of shares of stock with respect to such shares. Class B shares are redeemable by the Company, in whole or in part, at the option of the Board of Directors of the Company, at any time.

**KLEVER MARKETING, INC.**

## Notes to Condensed Financial Statements

(Unaudited)

Class C Voting Preferred Stock

The Company has 200,000 shares of “Class C Voting Preferred Stock” (“Class C Shares”) authorized. As of March 31, 2015 and December 31, 2014, there were 184,194 and 176,685 Class C Shares outstanding, respectively. The Class C Shares are convertible into 25.140 shares of common stock. Holders of Class C Shares are entitled to receive dividends at the rate of \$0.66 per share per annum, payable semi-annually. Dividends are cumulative and may be paid in cash or in kind through the distribution of .0425 Class C Shares for each outstanding Class C Share, on each dividend payment date. Class C Shares carry a liquidation preference of \$6.60 per share plus any accrued but unpaid dividends on such shares, if any, and adjusted for combinations, splits, dividends or distributions of shares of stock with respect to such shares. Class C shares are redeemable by the Company, in whole or in part, at the option of the Board of Directors of the Company, at any time.

**NOTE 5 – STOCK OPTIONS**

The shareholders approved, by a majority vote, the adoption of the 1998 Stock Incentive Plan (the “Plan”). As amended on August 11, 2003, the Plan reserves 20,000,000 shares of common stock for issuance upon the exercise of options which may be granted from time-to-time to officers, directors and certain employees and consultants of the Company or its subsidiaries by the Board of Directors. The Plan permits the award of both qualified and non-qualified incentive stock options. During the three months ended March 31, 2015, the Company issued 100,000 options to an investor who simultaneously purchased shares in the Company.

The summary of option activity for the three months ended March 31, 2015 is presented below:

	<b>Number of Shares</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining Life (years)</b>
<b>Balance as of December 31, 2014</b>	–	–	–
Granted	100,000	0.075	0.63
Exercised	–	–	–

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Canceled	–	–	–
Expired	–	–	–
<b>Balance as of March 31, 2015</b>	100,000	0.075	0.50

Outstanding and exercisable options presented by price range as of March 31, 2015 are as follows:

Exercise Price	Options Outstanding			Options Exercisable		
	Number of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Exercise Price	Weighted Average Exercise Price
\$ 0.075	100,000	0.50	\$ 0.075	100,000	\$ 0.075	\$ 0.075

The intrinsic values of outstanding and vested stock options were as follows:

	March 31, 2015	December 31, 2014
Intrinsic value - options outstanding	\$ 500	–
Intrinsic value - options exercisable	\$ 500	–
Intrinsic value - options exercised	–	–

**KLEVER MARKETING, INC.**

Notes to Condensed Financial Statements

(Unaudited)

**NOTE 6 – COMMON STOCK**

During the three months ended March 31, 2015, the Company issued 872,619 shares to investors for \$52,500 in cash. As more fully described in Note 5, one investor also received options to purchase shares of the Company's restricted common stock in connection with his investment in the Company.

During the three months ended March 31, 2014, the Company issued 110,000 shares of common stock valued at \$6,600 to a consultant for services.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The Company accrued \$40,500 for compensation for the CEO during the three months ended March 31, 2015 and 2014 of which \$0 was paid.

The bookkeeper, who is the wife of the CEO, earned \$4,500 during the three months ended March 31, 2015 for services provided to the Company of which \$0 was paid. The bookkeeper, who is the wife of the CEO, earned \$4,500 during the three months ended March 31, 2014 for services provided to the Company. \$3,000 of these amounts were paid during the three months ended March 31, 2014.

**NOTE 8 – LITIGATION SETTLEMENTS**

The Company did not record any proceeds from litigation settlements during the quarter ended March 31, 2015. During the three months ended March 31, 2014, the Company as Plaintiff settled certain lawsuits against various defendants for infringement against patents owned by the Company resulting in the Company recording \$41,250 in net proceeds from litigation settlements.

**NOTE 9 – SUBSEQUENT EVENTS**

On April 4, 2015, the Company granted 1,500,000 stock options to purchase shares of its restricted common stock to its Chairman and CEO, 1,200,000 stock options to its COO, and 100,000 stock options to its other board member. The options vest immediately and are exercisable at \$0.05 per share. The options expire on January 31, 2018.

On April 15, 2015, the Company sold 62,500 shares of restricted common stock to a third party investor for \$5,000.

On April 24, 2015, the Company sold 500,000 shares of restricted common stock to a third party investor for \$35,000.

The Company has evaluated events subsequent to period end pursuant to the requirements of ASC 855 and has determined that there are no additional events to disclose.

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

The following information specifies certain forward-looking statements of management of the Company.

Forward-looking statements are statements that estimate the happening of future events and are not based on historical fact. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may", "shall", "could", "expect", "estimate", "anticipate", "predict", "probable", "possible", "should", "continue", or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. We cannot guaranty that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

**We advise anyone relying upon this report that any statement of earnings by the company has been obtained solely through the reduction, adjustment or termination of various debt obligations and through net proceeds received in litigation settlements and does not reflect operating revenues to the Company.** The Company continues without revenues and with continuing substantial expenses, yielding a net loss from operations if considered apart from reduction of debt, asset sales, and litigation settlements. The Company continues to search for merger or acquisition candidates or possible entities to which it may sell or license its patent interest, but makes no warranty or assurance that it will be successful in any of these endeavors. Further, there is no assurance that the Company can continue to operate without cash flows or revenues and during the past year has relied exclusively upon interim capital financing for its continuation.

### **General**

Klever Marketing, Inc. is engaged in obtaining capital in order to file and acquire patents, to seek out and to investigate, develop, manufacture and market electronic in-store advertising, directory and coupon services which have potential for profit. The Company successfully conducted two in-store demonstrations of its shopping cart technology – the latest being in 2009 with the release of the Giving Cart and its Retailer Chime-Time Awards Programs. Subsequently, in 2010, the Company shifted its business model to mobile technology and has aggressively developed new applications using this technology.



## **Product Base**

Following a decade of development of its shopping cart-based electronic advertising technology, which was successful in demonstrating the advantages of electronic distribution and redemption of electronic coupons and promotions, the Company realized that mobile technology had advanced to the level where Klever's product base could be applied and considerably expanded into an entirely new product line. Accordingly, in 2010, the Company made a dramatic shift into mobile technology. Since that time the Company has made substantial progress on its mobile application development and implementation. The software programming of the consumer KleverShop 1.0 application has been completed and successfully tested in our- demonstration store. The retailer and supplier KleverDash application has completed its database and backend programming, complete with a revised graphical user interface, and successfully tested in our demonstration store.

## **Mobile Application Development and Implementation**

Over the past year, the Company's business efforts concentrated in two areas: modifying the software to meet retailer's refined business requirements and expanding our contacts within the retail grocery industry. We completed our Wholesome Choice Market demonstration test in March 2014, and the feedback led us to conclude that to best serve our clients we needed to 1) add a loyalty program with points and 2) store branding and license our KleverShop software, allowing markets to brand the application as their own. Following further discussions with our investors, we also decided that now was the time to upgrade our software to an entirely new development platform that would be much more efficient and effective in addressing the desired enhancements.

Accordingly, we have been actively engaged in promoting the software tools in our new upgrade, designated KleverShop 2.0. We believe our new development platform to be more efficient. For instance, our coupon options have been expanded. Our user interface has built-in flexibility to brand in order to serve individual retailer needs. We have built in our Loyalty Program. Our KleverPoints program gives retailers the opportunity to award points for various shopping functions that we believe will lead to greater basket uplift. Points are awarded for checking in and for redeeming coupons as well as total basket size.

At the same time we are also upgrading our KleverDash platform. We have envisioned a number of ways to make this tool even more useful to suppliers and retailers, with easier coupon generation, more types of coupons and expanded graphics/analytics.

Our new software platform not only has far better built-in documentation but also allows us to embed hundreds of software tests that greatly reduce the debugging process. In addition we have purchased a Retalix POS test center to further enable us to eliminate any post-development bugs. And we are seeking certification from Retalix to be an approved 3<sup>rd</sup> party services provider.

To expand our marketing efforts, the Company brought on a Sales and Marketing consultant with considerable retailer and supplier experience. We are pursuing two sales fronts: 1) Marketing to retail grocers in Southern California to establish a retailer base with established regional grocers, and 2) Marketing through retail grocery associations who supply support services and tools to a broad range of retail grocers. The latter opportunity appears to be promising for Klever, and we are optimistic on the outcome. In both cases it is important to remember that retail grocers have not been known for their rapid adoption of new technologies. Klever is well aware of this tendency and is committed to persistence and “aggressive patience” in its marketing effort.

As a further step to prepare for revenue operations, in December Klever formed a Digital Coupon Redemption Division to focus on retail store application and operations using our Klever digital products (KleverShop®, KleverDash®, KleverBank®, KleverPoints – all in the KleverKloud®). This division is preparing for installation in retail stores, daily operations, accounting of digital redemptions and clearing, and technical support to these retail customers. Agreements and other supporting documentation are also being developed.

During the three months ended March 31, 2015, the Company continued to work on the programming and testing of KleverShop 2.0 as well as designing strategies that the Company can use to take its products to market. We also have worked on developing our own internal laboratory for further testing of our applications.

### **Anticipated Business Development in the Next 12 Months**

In 2015, the Company’s goals are clear. Wrap up the programming and testing of KleverShop 2.0 and release it into the marketplace for revenue operations. Build the client base from bottom up by securing innovative grocers who want to take the lead in digital coupon marketing. And market our product top down from associations who provide services to multiple grocers. From there we need to be prepared for rapid growth.

To accomplish our goals, we are looking to expand into a regional super market chain of moderate size to demonstrate the multi-store usability of our software systems and generate revenue from operations. And we are working with

large associations and supplier organizations who are interested in providing Klever's applications to their user base.

We will attempt to use this retailer base to promote our relationships with product suppliers to bring them into the fold of Klever product users. With these suppliers we will promote our KleverBank® system for coupon management and consumer redemption, which when successful, is expected to place our Company in a very attractive position. We continue to differentiate ourselves as being a full service digital marketing provider to consumers, retailers and suppliers with platforms to meet all of their promotional needs. Notable progress is being made, and the Company is moving forward. However, we must caution the reader that Klever Marketing currently has no signed revenue contracts. No assurance or warranty can be given that the Company will be successful in implementing the efforts described in this report.

## **Results of Operations**

### **Three Months Ended March 31, 2015 Compared to Three Months Ended March 31, 2014**

For the three months ended March 31, 2015, the Company had a net loss of \$88,756 compared to a net loss of \$27,827 for the three months ended March 31, 2014. The increase in net loss in the current year is primarily due to an increase in operating expenses of \$19,666 coupled with a decrease in net proceeds from litigation settlements related to certain parties infringing upon the Company's patents of \$41,250. General and administrative costs increased from \$66,662 for the three months ended March 31, 2014 to \$86,863 for the three months ended March 31, 2015. The increase in costs was primarily due to increased costs for legal fees, outside services and advertising and promotional fees of \$2,780, \$6,000 and \$13,160, respectively. Legal fees were higher primarily due to higher costs associated with the Company's intellectual property incurred by the Company's patent attorneys. Outside services were higher due to increased consulting costs incurred to assist the Company in finding retailers and consumer packaged goods companies who will utilize the Company's mobile phone technology. Advertising and promotional fees were higher primarily due to a \$10,000 refund the Company received during the three months ended March 31, 2014 as a result of cancelling a contract coupled with higher costs for public relations fees during the three months ended March 31, 2015.

The Company received \$0 in net proceeds from litigation settlements related to certain parties infringing upon the Company's patents compared during the three months ended March 31, 2015 compared to net proceeds of \$41,250 for similar matters in the prior year.

## Liquidity and Capital Resources

The Company requires working capital principally to fund its proposed product development and operating expenses for which the Company has relied primarily on short-term borrowings and the issuance of restricted common stock.

Cash flows used by operating activities during the three months ended March 31, 2015 totaled \$9,793 compared to cash flows provided by operating activities of \$23,832 during the three months ended March 31, 2014. The decrease in cash flows from operations is due primarily to an increased net loss of \$60,929, partially offset by a bigger increase in accounts payable and accrued liabilities of \$11,471 and \$16,513, respectively.

Cash flows used in investing activities during the three months ended March 31, 2015 were \$45,361 as compared to \$48,065 for the three months ended March 31, 2014. During the three months ended March 31, 2015, the Company spent \$37,567 for capitalized software development and \$7,794 to develop patents and trademarks. During the nine months ended March 31, 2014, the Company spent \$43,904 on capitalized software development, and \$4,161 on developing patents and trademarks.

Cash flows generated from financing activities were \$52,500 for the three months ended March 31, 2015 as compared to \$0 for the three months ended March 31, 2014. During the three months ended March 31, 2015, the Company received \$52,500 of proceeds from the sale of common stock.

As of March 31, 2015, our cash position was \$20,540, compared with \$23,194 as of December 31, 2014. Subject to financing, we anticipate hiring additional employees and consultants for development and the corresponding operations of the Company, but this hiring is not planned to occur prior to obtaining additional capital. The Company requires working capital principally to complete development, testing and marketing of its new mobile products and to pay for ongoing operating expenses. Management is currently in the process of looking for additional investors. Currently, there are no formal commitments from banks or other lending sources for lines of credit or similar short-term borrowings, but the Company has been able to raise minimal additional working capital that has been required to enable the Company to continue operations. From time to time in the past, required short-term borrowings have been obtained from principal shareholders or other related entities or working capital has been obtained through the issuance of restricted common stock to fund operations in accordance with the Company's revised business plan.

**Factors That May Affect Future Results** - Management's Discussion and Analysis contains information based on management's beliefs and forward-looking statements that involve a number of risks, uncertainties, and assumptions. There can be no assurance that actual results will not differ materially from the forward-looking statements as a result of various factors, including but not limited to the following:

The Company may not obtain the equity funding or short-term borrowings necessary to market and launch its mobile applications.

The product launch may take longer to implement than planned or may not be successful.

**Off-Balance Sheet Arrangements.** We have no off-balance sheet arrangements.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

Not applicable.

### **Item 4. Controls and Procedures**

#### **Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to help ensure that information required to be disclosed in our filings under the Exchange Act is recorded, processed, summarized and reported within the periods specified in the rules and forms of the SEC. This information is accumulated and communicated to our Chief Executive Officer to allow timely decisions regarding required disclosure. Our Chief Executive Officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. Based on that evaluation and the requirements of the Exchange Act, our Chief Executive Officer concluded that, as of March 31, 2015, our disclosure controls and procedures continue to be ineffective. The small size of our Company does not provide for the desired segregation of duty control functions, and we do not have the required level of documentation of our monitoring and control procedures. Currently, our financial constraints prevent us from fully implementing the internal controls prescribed by the Sarbanes-Oxley Act.

## Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal controls over financial reporting for the Company. Due to limited resources, Management conducted an evaluation of internal controls based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The results of this evaluation determined that our internal control over financial reporting was ineffective as of March 31, 2015, due to material weaknesses. A material weakness in internal control over financial reporting is defined as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of our financial reporting.

Management's assessment identified the following material weaknesses in internal control over financial reporting:

The small size and lack of financial resources of our Company limits our ability to achieve the desired level of separation of internal controls and financial reporting. We do have a separate CEO and CFO, to review and oversee the financial policies and procedures of the Company, which does achieve a degree of separation. However, until such time as the Company is able to hire a Controller and appoint an audit committee, we do not believe we meet the full requirement for separation.

We do not have a functional audit committee.

We have not achieved the desired level of documentation of our internal controls and procedures. When the Company obtains sufficient funding, this documentation will be strengthened through utilizing a third party consulting firm to assist management with its internal control documentation and further help to limit the possibility of any lapse in controls occurring.

We have not achieved the desired level of corporate governance to ensure that our accounting for all of our contractual and other agreements is in accordance with all of the relevant terms and conditions. Because of our limited capital resources, we sometimes formalize our agreements with certain contractors after the work is performed when additional resources become available to pay for the services.

As a result of the material weaknesses in internal control over financial reporting described above, the Company's management has concluded that, as of March 31, 2015, the Company's internal control over financial reporting was not effective based on the criteria in Internal Control - Integrated Framework issued by the COSO.

To date, the Company has not been able to add any additional members to its Audit Committee due its limited financial resources. When the Company obtains sufficient funding, Management intends to add additional members to the Audit Committee and charge them with assisting the Company in addressing the material weaknesses noted

above. The Company's lack of current financial resources makes it impossible for the Company to hire the appropriate personnel needed to overcome these weaknesses and ensure that appropriate controls and separation of responsibilities of a larger organization exist. We also will continue to follow the standards for the Public Company Accounting Oversight Board (United States) for internal control over financial reporting to include procedures that:

- Pertain to the maintenance of records in reasonable detail accurately that fairly reflect the transactions and dispositions of the Company's assets;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the Board of Directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Our management determined that there were no changes made in our internal controls over financial reporting during the three months ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

**Controls and Procedures.**

**Changes in internal controls.** There were no changes in our internal control over financial reporting that occurred during the fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The Company has taken limited steps to meet its Sarbanes-Oxley (SOX) Section 404 compliance requirements and implement procedures to assure financial reports are prepared in accordance with generally accepted accounting principles (GAAP) and therefore fairly represent the results and condition of the Company. We are not materially compliant with the Section 404 requirements due to economic constraints.



## **PART II – OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

None

### **Item 1A. Risk Factors and Uncertainties.**

Readers should carefully consider the risks and uncertainties described below before deciding whether to invest in shares of our common stock.

Our failure to successfully address the risks and uncertainties described below would have a material adverse effect on our business, financial condition and/or results of operations, and the trading price of our common stock may decline and investors may lose all or part of their investment. We cannot assure you that we will successfully address these risks or other unknown risks that may affect our business.

As an enterprise engaged in the development of new technology, our business is inherently risky. Our common shares are considered speculative during the development of our new business operations. Prospective investors should consider carefully the risk factors set out below.

*We need to continue as a going concern if our business is to succeed.*

Our independent accountant's report to our audited consolidated financial statements for the year ended December 31, 2014, indicates that there are a number of factors that raise substantial risks about our ability to continue as a going concern. Such factors identified in the report are our accumulated deficit since inception, our failure to attain profitable operations and our dependence upon obtaining adequate additional financing to pay our liabilities. If we are not able to continue as a going concern, investors could lose their investments.

*Because of the unique difficulties and uncertainties inherent in technology development, we face a risk of business failure.*

Potential investors should be aware of the difficulties normally encountered by companies developing new technology and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the development of new technology with limited personnel and financial means. These potential problems include, but are not limited to, unanticipated technical problems that extend the time and cost of product development, or unanticipated problems with the operation of our technology or that with which we are licensing that also extend the time and cost of product development.

***If we do not obtain additional financing, our business will fail.***

Our current operating funds are less than necessary to complete the full development and marketing of our mobile products, and we will need to obtain additional financing in order to complete our business plan. We currently have minimal operations and no income.

Our business plan calls for significant expenses in connection with developing our mobile phone technology and paying our current obligations. The Company currently does not have sufficient funds to complete the development of its technology and to pay its obligations. As a result, the Company will require additional financing to execute its business plan.

We do not currently have any firm arrangements for financing, and we can provide no assurance to investors that we will be able to find such additional financing if required. Obtaining additional financing is subject to a number of factors, including investor acceptance of our technology and current financial condition as well as general market conditions. These factors affect the timing, amount, terms or conditions of additional financing unavailable to us. And if additional financing is not arranged, the company faces the risk of going out of business.

The most likely source of future funds presently available to us is through the additional sale of private equity capital or through a convertible debt instrument. Any sale of share capital will result in dilution to existing shareholders.

There is no history upon which to base any assumption as to the likelihood we will prove successful, and we can provide investors with no assurance that we will generate any operating revenues or achieve profitable operations. If we are unsuccessful in addressing these risks, our business will most likely fail.

***Because the SEC imposes additional sales practice requirements on brokers who deal in our shares that are penny stocks, some brokers may be unwilling to trade them. This means that investors may have difficulty reselling their shares and may cause the price of the shares to decline.***

Our shares qualify as penny stocks and are covered by Section 15(g) of the Securities Exchange Act of 1934, which imposes additional sales practice requirements on broker/dealers who sell our securities in this offering or in the aftermarket. In particular, prior to selling a penny stock, broker/dealers must give the prospective customer a risk disclosure document that: contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; contains a description of the broker/dealers' duties to the customer and of the rights and remedies available to the customer with respect to violations of such duties or other requirements of Federal securities laws; contains a brief, clear, narrative description of a dealer market, including "bid" and "ask" prices for penny stocks and the significance of the spread between the bid and ask prices; contains the toll free telephone number for inquiries on disciplinary actions established pursuant to section 15(A)(i); defines significant terms used in the disclosure document or in the conduct of trading in penny stocks; and contains such other information, and is in such form (including language, type size, and format), as the SEC requires by rule or regulation. Further, for sales of our securities, the broker/dealer must make a special suitability determination and receive from you a written agreement before making a sale to you. Because of the imposition of the foregoing additional sales practices, it is possible that brokers will not want to make a market in our shares. This could prevent reselling of shares and may cause the price of the shares to decline.

***Technology companies face intense competition. We will have to compete with our competitors for financing and for qualified managerial and technical employees.***

The technology industry is intensely competitive in all of its phases. Competition includes large established technology companies with substantial capabilities and with greater financial and technical resources than we have. As a result of this competition, we may be unable to become a leader in our industry and attract and retain qualified managerial and technical employees. If we are unable to successfully compete for financing or for qualified employees, our technology development and commercialization efforts may be slowed down or suspended.

***We do not expect to declare or pay any dividends.***

We have not declared or paid any dividends on our common stock since our inception, and we do not anticipate paying any such dividends for the foreseeable future.

***Volatility of Stock Price.***

Our common shares are currently publicly traded on the OTC BB exchange under the symbol KLMK. In the future, the trading price of our common shares may be subject to wide fluctuations. Trading prices of the common shares may fluctuate in response to a number of factors, many of which will be beyond our control. In addition, the stock market in general, and the market for software technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. Market and industry factors may adversely affect the market price of the common shares, regardless of our operating performance. Readers should carefully consider the risks and uncertainties described below before deciding whether to invest in shares of our common stock.

Our failure to successfully address the risks and uncertainties described below would have a material adverse effect on our business, financial condition and/or results of operations, and the trading price of our common stock may decline and investors may lose all or part of their investment. We cannot assure you that we will successfully address these risks or other unknown risks that may affect our business.

As an enterprise engaged in the development of new technology, our business is inherently risky. Our common shares are considered speculative during the development of our new business operations. Prospective investors should consider carefully the risk factors set out below. Our common stock has traded between \$0.03 and \$0.09 per share during the past 52 weeks.

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

On January 20, 2015, the Company sold 250,000 unregistered shares of common stock to an investor for \$12,500.

On February 17, 2015, the Company sold 100,000 unregistered shares of common stock to an investor for \$7,500.

On February 23, 2015, the Company sold 214,286 unregistered shares of common stock to an investor for \$15,000.

On March 21, 2015, the Company sold 208,333 unregistered shares of common stock to an investor for \$12,500.

On March 30, 2015, the Company sold 100,000 unregistered shares of common stock to an investor for \$5,000.

**Item 3. Defaults Upon Senior Securities**

None.

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

None

**Item 5. Other Information**

None.



**Item 6. Exhibits**

The following exhibits are included as part of this report:

Exhibit Number	Title of Document
3.01	Restated Certificate of Incorporation of Klever Marketing, Inc. a Delaware corporation (1)
3.02	Certificate of Designation of Rights, Privileges and Preferences: Rights of A Class Voting Preferred Stock, Series 1, of Klever Marketing, Inc., dated February 7, 2000 (2)
3.03	Bylaws, as amended (2)
4.01	Amended Certificate of Designation of Rights, Privileges and Preferences: Rights of A Class of Voting Preferred Stock, Series 1, of Klever Marketing, Inc., Dated February 7, 2000 (3)
4.02	Certificate of Designation of Rights, Privileges and Preferences of Class B Voting Preferred Stock, of Klever Marketing, Inc., dated September 24, 2000 (3)
4.03	Certificate of Designation of Rights, Privileges and Preferences of Class C Voting Preferred Stock, of Klever Marketing, Inc., dated January 2, 2001 (3)
4.04	Certificate of Designation of Rights, Privileges and Preferences of Class D Voting Preferred Stock, of Klever Marketing, Inc., dated June 14, 2002 (5)
4.05	Amendment to the Certificates of Designation of Rights, Privileges and Preferences of Class A, B, and C Voting Preferred Stock, of Klever Marketing, Inc., dated June 12, 2002 (5)
10.01	Separation Agreement between Paul G. Begum and the Registrant, dated January 8, 2001 (2)
10.02	Stock Incentive Plan, effective June 1, 1998 (2)
10.03	Amended and Restated Promissory Note (Secured) of the Registrant payable to Presidio Investments, LLC, dated June 27, 2000, with Financing Statement and Exhibit "A" (2)
10.04	Intercreditor Agreement between Seabury Investors III, Limited Partnership, The Olson Foundation, Presidio Investments, LLC, and the Registrant dated August 27, 2001 (4)
10.05	Asset purchase agreement dated August 27, 2004 (6)
10.06	Software Development Works Agreement between Klever Marketing, Inc. and Qualzoom Inc. dated August 15, 2010 (7)
10.07	Software Development Agreement between Klever Marketing, Inc. and Briabe Media Inc. September 22, 2010 (7)
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document *
101.SCH	XBRL Schema Document *
101.CAL	XBRL Calculation Linkbase Document *
101.DEF	XBRL Definition Linkbase Document *
101.LAB	XBRL Label Linkbase Document *
101.PRE	XBRL Presentation Linkbase Document *

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\*Pursuant to Rule 406T of Regulation S-T, these interactive data files are not deemed filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act or Section 18 of the Securities

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Exchange Act and otherwise not subject to liability.

- (1) Incorporated herein by reference from Registrant's Form 10KSB, dated June 20, 1997.
- (2) Incorporated herein by reference from Registrant's Form 10KSB, dated March 29, 2001
- (3) Incorporated herein by reference from Registrant's Form 10QSB, dated May 15, 2001.
- (4) Incorporated herein by reference from Registrant's Form 10QSB, dated May 15, 2002.
- (5) Incorporated herein by reference from Registrant's Form 10QSB, dated August 19, 2002.
- (6) Incorporated herein by reference from Registrant's Form 10QSB, dated November 19, 2004.
- (7) Incorporated herein by reference from Registrant's Form 8-K, dated November 19, 2010.



**SIGNATURES**

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

Klever Marketing, Inc.

(Registrant)

DATE: May 15, 2015

By: /s/ Paul G Begum

Paul G. Begum

Chairman

(Principal Executive Officer)

By: /s/ Robert Campbell

Robert Campbell

(Principal Financial Officer)

