

LIVEDEAL INC  
Form 10-Q  
August 14, 2008

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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 June 30, 2008

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 0-24217

LiveDeal, Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or  
organization)

85-0206668

(IRS Employer Identification No.)

2490 East Sunset Road, Suite 100

Las Vegas, Nevada

(Address of principal executive offices)

89120

(Zip Code)

(702) 939-0230

(Registrant's telephone number, including area code)

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, 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

o No p

APPLICABLE ONLY TO CORPORATE ISSUERS

The number of shares of the issuer's common equity outstanding as of August 1, 2008 was 6,519,738 shares of common stock, par value \$0.001.

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FOR THE QUARTER ENDED JUNE 30, 2008

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## PART I – FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

LIVEDEAL, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2008 (unaudited)	September 30, 2007
Assets		
Cash and cash equivalents	\$ 4,059,034	\$ 5,674,533
Accounts receivable, net	7,283,156	6,919,180
Prepaid expenses and other current assets	661,922	510,609
Customer acquisition costs, net	1,123,888	-
Income taxes receivable	769,464	316,429
Deferred tax asset	521,268	546,145
Total current assets	14,418,732	13,966,896
Accounts receivable, long term portion, net	1,927,266	1,941,996
Property and equipment, net	809,938	423,563
Deposits and other assets	94,888	103,057
Intangible assets, net	6,662,347	7,372,147
Goodwill	11,706,406	11,683,163
Deferred tax asset, long term	4,117,591	4,551,644
Total assets	\$ 39,737,168	\$ 40,042,466
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable	\$ 1,191,606	\$ 1,138,265
Accrued liabilities	1,732,026	1,196,330
Total current liabilities	2,923,632	2,334,595
Total liabilities	2,923,632	2,334,595
Commitments and contingencies		
Stockholders' Equity:		
Series E convertible preferred stock, \$0.001 par value, 200,000 shares authorized, 127,840 issued and outstanding, liquidation preference \$38,202	10,866	10,866
Common stock, \$0.001 par value, 100,000,000 shares authorized, 6,525,962 and 6,693,676 outstanding at June 30, 2008 and September 30, 2007, respectively	6,526	6,694
Treasury stock (2,000 and 328,566 shares carried at cost)	(4,845)	(2,714,698)
Paid in capital	20,974,573	23,325,888
Retained earnings	15,826,416	17,079,121
Total stockholders' equity	36,813,536	37,707,871

Total liabilities and stockholders' equity	\$ 39,737,168	\$ 40,042,466
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See accompanying notes to unaudited condensed consolidated financial statements.

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LIVEDEAL, INC. AND SUBSIDIARIES  
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months ended		Nine Months ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Net revenues	\$ 5,812,141	\$ 5,989,437	\$ 19,518,815	\$ 19,219,664
Cost of services	1,129,371	875,894	3,240,610	2,944,472
Gross profit	4,682,770	5,113,543	16,278,205	16,275,192