

Clean Coal Technologies Inc.
Form 10-Q
May 20, 2009

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, 2009

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: **000-50053**

CLEAN COAL TECHNOLOGIES, INC.

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

NEVADA

2691079442

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(State or other jurisdiction of
incorporation or organization)

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

12518 W Atlantic Blvd, Coral Springs, FL

(Address of principal executive offices)

33071

(Zip Code)

(954) 344-2727

(Issuer's telephone number)

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), Yes and (2) has been subject to such filing requirements for the past 90 days. 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 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

The number of shares outstanding of Registrant's Common Stock as of May 8, 2009: 439,970,618

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission and, therefore, do not include all information and footnotes necessary for a complete presentation of our financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. In the opinion of management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature.

Clean Coal Technologies Inc
(A Development Stage Company)
Balance Sheets
(Unaudited)

	March 31, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash	\$ 5,194	\$ 1,598
Investment	5,000	5,000
Total Current Assets	10,194	6,598
Property, plant and equipment, net of accumulated depreciation of \$127 and \$76, respectively	892	943
Total Assets	\$ 11,086	\$ 7,541
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	\$ 491,114	\$ 406,476
Accounts payable from related parties	1,202,301	943,697
Advances from related parties	70,000	70,000
Accrued liabilities	88,599	66,017
Debt from related parties	7,500	7,500
Total Current Liabilities	1,859,514	1,493,690
Debt from related parties	975,636	1,041,851
Total Liabilities	2,835,150	2,535,541
Common stock, \$0.00001 par value; 600,000,000 shares authorized, 439,970,618 and 430,689,469 shares issued and outstanding, respectively		
	4,400	4,307
Additional paid-in capital	163,056,363	136,804,856
Deficit accumulated during the development stage	(165,884,827)	(139,337,163)

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Total Stockholders' Deficit	(2,824,064)	(2,528,000)
Total Liabilities and Stockholders' Deficit	\$ 11,086	\$ 7,541

See Notes to the Unaudited Financial Statements.

Clean Coal Technologies Inc
(A Development Stage Company)
Statements of Expenses
(Unaudited)

	Three Months Ended		October 20,
	March 31,		1997
	2009	2008	(Inception)
			Through
			March 31,
			2009
Operating Expenses:			
			\$
General and administrative	\$ 146,580	112,499	\$ 1,605,003
Research and development	-	204,120	374,912
Consulting services	5,975,949	23,854,408	143,198,690
Loss from Operations	6,122,529	24,171,027	145,178,605
Other Income (Expenses):			
Interest expense	(24,943)	-	(250,688)
Other expenses	-	-	(13,985)
Loss on extinguishment of debt	-	-	(41,357)
Gain on change in derivative liability	7,598,481	-	7,598,481
Total Other Income	7,573,538	-	7,292,451
			\$
Net Income (Loss)	\$ 1,451,009	(24,171,027)	\$ (137,886,154)
			\$
Net income (loss) per share - basic and diluted	\$ 0.00	(0.06)	
Weighted average shares outstanding -			
basic and diluted	434,663,683	409,450,620	

See Notes to the Unaudited Financial Statements.

Clean Coal Technologies Inc
(A Development Stage Company)
Statement of Stockholders' Deficit
(Unaudited)

	Common Stock		Additional	Deficit	
	Shares	Amount	Paid-In	Accumulated	Stockholders'
			Capital	During the	Deficit
				Development	
				Stage	
Balances at December 31, 2008	430,689,469	\$ 4,307	\$ 136,804,856	\$ (139,337,163)	\$ (2,528,000)
Cumulative effect of change in accounting principle - January 1, 2009 reclassification of embedded feature of equity-linked financial instruments to derivative liabilities	-	-	(16,490,517)	(27,998,673)	(44,489,190)
Derivative liability removed due to warrants exercised	-	-	36,890,709	-	36,890,709
Common stock issued for services	466,666	5	1,176,658	-	1,176,663
Accrued stock-based compensation	-	-	4,605,192	-	4,605,192
Common stock issued upon cashless exercise of warrants	8,814,483	88	(88)	-	-
Forgiveness of related party debt	-	-	69,553	-	69,553
Net loss	-	-	-	1,451,009	1,451,009

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Balances at March 31, 2009	439,970,618	\$ 4,400	\$ 163,056,363	\$ (165,884,827)	\$ (2,824,064)
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See Notes to the Unaudited Financial Statements.

Clean Coal Technologies Inc
(A Development Stage Enterprise)
Statements of Cash Flows
(Unaudited)

	Three Months Ended		October 20, 1997
	March 31,		(Inception)
	2009	2008	Through
			March 31,
			2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
		\$	
Net Income (Loss)	1,451,009	\$ (24,171,027)	\$ (137,886,154)
Adjustment to reconcile net income (loss) to net cash used in operating activities:			
Depreciation expense	51	-	5,447
Shares issued for services	5,781,855	23,821,110	124,710,095
Warrant expense	-	-	16,490,517
Loss on extinguishment of debt	-	-	41,357
Interest expense paid in shares	-	-	43,935
Interest converted to debt	-	-	22,600
Write-off of asset	-	-	11,015
Gain on derivative liability	(7,598,481)	-	(7,598,481)
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	-	-	(11,015)
Accounts payable	84,638	200,001	491,114
Accounts payable - related party	258,604	153,965	1,782,591
Accrued expenses	25,920	1,677	91,937
Cash Provided by (Used In) Operating Activities	3,596	5,726	(1,805,042)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of fixed assets	-	-	(6,339)
Investment in joint venture	-	-	(5,000)
Cash Used in Investing Activities	-	-	(11,339)

CASH FLOWS FROM FINANCING
ACTIVITIES:

Advances from related parties	-	-	305,000
Borrowings on related party debt	-	-	1,516,575
Cash Provided by Financing Activities	-	-	1,821,575

NET CHANGE IN CASH AND
CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS - beginning of period	3,596	5,726	5,194
CASH AND CASH EQUIVALENTS - end of period	1,598	1,730	-
	\$	\$	\$
	5,194	7,456	5,194

SUPPLEMENTAL DISCLOSURES:

	\$			
Cash paid for interest	-	\$	-	\$
Cash paid for income taxes	-		-	

NON-CASH INVESTING AND
FINANCING ACTIVITIES:

Forgiveness of related party debt and accrued interest	\$	69,553	\$	-	\$	69,553
Derivative liability removed due to warrants exercised	36,890,709		-		36,890,709	
Cumulative effect of change in accounting principle	44,489,190		-		44,489,190	
Preferred stock issued for related party debt	-		-		380,837	
Preferred stock converted to common stock	-					