

interCLICK, Inc.  
Form 10-Q  
August 14, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington D.C. 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: **June 30, 2008**

OR

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: 333-141141

**interCLICK, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of Incorporation or Organization)

01-0692341  
(I.R.S. Employer Identification No.)

200 Park Avenue South  
Suite 908-909  
New York, NY

10003

(Address of Principal Executive Offices)

(Zip code)

(646) 722-6260

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 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. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller reporting company

(Do not check if a smaller reporting company)

Edgar Filing: interCLICK, Inc. - Form 10-Q

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 August 12, 2008, 37,845,167 shares of issuer's common stock, with \$0.001 par value per share, were outstanding.

---

**INTERCLICK, INC. (FORMERLY CUSTOMER ACQUISITION NETWORK HOLDINGS, INC.)**

**Table of Contents**

| <b>Page</b>     |  |           |
|-----------------|--|-----------|
| <b>Part I</b>   | <b>FINANCIAL INFORMATION</b>   | <b>1</b>  |
| <b>Item 1.</b>  | <b>Financial Statements</b>  | <b>1</b>  |
|                 | Condensed Consolidated Balance Sheets – June 30, 2008 (unaudited) and December 31, 2007                                | 1         |
|                 | Condensed Consolidated Statements of Operations (unaudited) for the three and six months ended June 30, 2008           | 2         |
|                 | Condensed Consolidated Statement of Changes in Stockholder's Equity for the six months ended June 30, 2008 (unaudited) | 3         |
|                 | Condensed Consolidated Statement of Cash Flows (unaudited) for the six months ended June 30, 2008                      | 4         |
|                 | Notes to the Unaudited Condensed Consolidated Financial Statements   | 5         |
| <b>Item 2.</b>  | <b>Management's Discussion and Analysis of Financial Conditions and Results of Operation</b>                           | <b>19</b> |
| <b>Item 4T.</b> | <b>Controls and Procedures</b>   | <b>24</b> |
| <b>Part II</b>  | <b>OTHER INFORMATION</b>   | <b>25</b> |
| <b>Item 1.</b>  | <b>Legal Proceedings</b>   | <b>25</b> |
| <b>Item 2.</b>  | <b>Unregistered Sales of Equity Securities and Use of Proceeds</b>   | <b>26</b> |

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

**INTERCLICK, INC. (FORMERLY CUSTOMER ACQUISITION NETWORK HOLDINGS, INC.)**

Item 4. Submission of Matters to a Vote of Security Holders 26

Item 6. Exhibits 26

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

ii

---

### **Forward-Looking Statements**

This quarterly report on Form 10-Q and other written reports and oral statements made from time to time by the Company may contain so-called “forward-looking statements,” all of which are subject to risks and uncertainties. Forward-looking statements can be identified by the use of words such as “expects,” “plans,” “will,” “forecasts,” “projects,” “intends,” “estimates,” and other words of similar meaning. One can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address our growth strategy, financial results, ability to raise additional capital and product and development programs. One must carefully consider any such statement and should understand that many factors could cause actual results to differ from our forward looking statements. These factors may include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward looking statement can be guaranteed and actual future results may vary materially.

Information regarding market and industry statistics contained in this quarterly report on Form 10-Q is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. We have not reviewed or included data from all sources, and cannot assure investors of the accuracy or completeness of the data included in this quarterly report of Form 10-Q. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not assume any obligation to update any forward-looking statement. As a result, investors should not place undue reliance on these 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 quarterly report on Form 10-Q. We do not intend, and do not assume any obligations, to update these forward looking statements, except as required by law.

**INTERCLICK, INC. (FORMERLY CUSTOMER ACQUISITION NETWORK HOLDINGS, INC.) AND  
SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS**

**PART I.  
FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements**

|   | June 30, 2008<br>(Unaudited) | December 31, 2007    |
|---|------------------------------|----------------------|
| <b>Assets</b>   |                              |                      |
| Current assets:   |                              |                      |
| Cash and cash equivalents   | \$ 448,024                   | \$ 3,675,483         |
| Accounts receivable, net of allowance of \$201,248 and \$150,000                              | 3,424,465                    | 3,390,302            |
| Note receivable   | 1,000,000                    | -                    |
| Prepaid assets  | 43,291                       | 55,750               |
| <b>Total current assets</b>   | <b>4,915,780</b>             | <b>7,121,535</b>     |
| Property and equipment, net   | 570,799                      | 512,031              |
| Intangible assets, net  | 819,254                      | 1,028,621            |
| Goodwill  | 7,909,571                    | 7,909,571            |
| Investment in Options Media Group Holdings, Inc.  | 3,500,872                    | -                    |
| Deferred debt issue costs, net of accumulated amortization of \$0 and \$13,932, respectively  | -                            | 77,505               |
| Deferred acquisition costs  | -                            | 129,333              |
| Other assets  | 105,602                      | 66,937               |
| <b>Total assets</b>   | <b>\$ 17,821,878</b>         | <b>\$ 16,845,533</b> |
| <b>Liabilities and Stockholders' Equity</b>   |                              |                      |
| Current liabilities:  |                              |                      |
| Senior secured notes payable, net of debt discount of \$120,819 and \$1,127,084, respectively | \$ 1,652,754                 | \$ 3,872,916         |
| Capital lease obligations, current portion  | 10,319                       | 9,290                |
| Accounts payable  | 2,711,468                    | 2,499,604            |
| Accrued expenses  | 1,602,154                    | 1,046,719            |
| Accrued interest  | 121,964                      | 36,173               |
| Deferred revenue  | 83                           | -                    |
| <b>Total current liabilities</b>  | <b>6,098,742</b>             | <b>7,464,702</b>     |
| Capital lease obligations, net of current portion   | 14,474                       | 19,317               |
| <b>Total liabilities</b>  | <b>6,113,216</b>             | <b>7,484,019</b>     |
| Commitments and contingencies (Note 8)  |                              |                      |
| Stockholders' equity:   |                              |                      |
|   | -                            | -                    |

Edgar Filing: interCLICK, Inc. - Form 10-Q

Preferred stock, \$0.001 par value; 10,000,000 shares authorized, zero shares issued and outstanding

|  |               |               |
|--|---------------|---------------|
| Common stock, \$0.001 par value; 140,000,000 shares authorized, 37,645,167 and 34,979,667 issued and outstanding, respectively | 37,646        | 34,980        |
| Additional paid-in capital   | 22,737,949    | 12,737,982    |
| Deferred equity-based expense  | (150,919)     | (178,481)     |
| Accumulated deficit  | (10,916,014)  | (3,232,967)   |
| Total stockholders' equity   | 11,708,662    | 9,361,514     |
| <br>   |               |               |
| Total liabilities and stockholders' equity   | \$ 17,821,878 | \$ 16,845,533 |

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

1

---

**INTERCLICK, INC. (FORMERLY CUSTOMER ACQUISITION NETWORK HOLDINGS, INC.) AND  
SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)**

|          | For the Three<br>Months Ended<br>June 30, 2008 | For the Six<br>Months Ended<br>June 30, 2008 |
|----------|--|--|
| Revenues | \$ 4,673,629                                   | \$   |