

POSITRON CORP
Form 10QSB
May 15, 2007

FORM 10-QSB

MARCH 31, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-QSB

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2007.

..
TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____.

Commission file number: 0-24092

Positron Corporation

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

Texas 76-0083622
(State of incorporation) (IRS Employer Identification No.)

1304 Langham Creek Drive, Suite 300, Houston, Texas 77084
(Address of principal executive offices)

(281) 492-7100
(Issuer's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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

As of May 15, 2007, there were 87,205,202 shares of the Registrant's Common Stock, \$.01 par value outstanding.

Transitional Small Business Disclosure Format (check one). Yes No

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PART 1 – FINANCIAL INFORMATION**ITEM 1. Financial Statements****POSITRON CORPORATION AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

(In thousands, except share data)

	March 31, 2007 (Unaudited)	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 472	\$ 115
Accounts receivable	242	208
Inventories	1,396	1,476
Due from affiliates	498	2,955
Prepaid expenses	166	115
Other current assets	67	63
Total current assets	2,841	4,932
Investment In Joint Ventures	--	23
Property and equipment, net	65	64
Goodwill	2,592	--
Other assets	273	252
Total assets	\$ 5,771	\$ 5,271
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, trade and accrued liabilities	\$ 2,525	\$ 2,627
Customer deposits	127	146
Unearned revenue	118	241
Due to affiliates	48	507
Total current liabilities	2,818	3,521
Obligation under capital lease	1	7
Convertible notes payable, less discount of \$1,258 and \$1,272	42	28
Deposits of unissued preferred stock	2,790	850
Derivative liabilities for convertible debentures	2,199	2,165
Majority interest in loss of consolidated subsidiary	--	(168)
Total liabilities	7,850	6,403

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Stockholders' deficit: Series A Preferred Stock: \$1.00 par value; 8% cumulative, convertible, redeemable; 5,450,000 shares authorized; 464,319 shares issued and outstanding	464	464
Series B Preferred Stock: \$1.00 par value; convertible, redeemable 9,000,000 shares authorized; 5,739,860.5 shares issued and outstanding	5,740	5,740
Series G Preferred Stock: \$1.00 par value; 8% cumulative, convertible, redeemable; 3,000,000 shares authorized; 204,482 shares issued and outstanding	204	204
Common Stock: \$0.01 par value; 800,000,000 shares authorized; 87,205,202, and 86,205,202 shares outstanding	872	862
Additional paid-in capital	60,583	60,400
Other comprehensive income	17	38
Accumulated deficit	(69,944)	(68,825)
Treasury Stock: 60,156 common shares at cost	(15)	(15)
Total stockholders' deficit	(2,079)	(1,132)
Total liabilities and stockholders' deficit	\$ 5,771	\$ 5,271

See accompanying notes

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MARCH 31, 2007

**POSITRON CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share data)

(Unaudited)

Three Months Ended

March 31, 2007

March 31, 2006

Revenues: