

Acacia Diversified Holdings, Inc.
Form 10-Q/A
May 20, 2015

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

Form 10-Q/A
Amendment Number 1

(Mark
One)

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

For the quarterly period ended September 30, 2013

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number: 1-14088

Acacia Diversified Holdings, Inc.
(Exact name of small business issuer as specified in its charter)

Texas

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

3515 East Silver Springs Blvd. - #243 Ocala, FL
(Address of principal executive offices)

34470
(Zip Code)

(877) 513-6294
(Registrant's telephone number)

(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. (1) Yes No (2) 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). Yes No (Not required)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (Check one):

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

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

Indicate by check mark whether the registrant HAS FILED ALL DOCUMENTS AND REPORTS REQUIRED TO BE FILED BY Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. 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 September 30, 2013: 12,486,809.

Table of Contents

TABLE OF CONTENTS

		Page
PART I. Financial Information		
Item 1.	<u>Financial Statements</u>	F-1
Item 1B.	<u>Unresolved Staff Comments</u>	1
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	1
Item 4(T).	<u>Controls and Procedures</u>	5
PART II. Other Information		
Item 5.	<u>Other Information</u>	7
Item 6.	<u>Exhibits</u>	8
	<u>Signatures</u>	9

Table of Contents

Explanatory Note

Overview of Amendment on this Form 10-Q/A

This first amendment on Form 10-Q/A (this “Amendment”) amends the Quarterly Report on Form 10-Q (the “Original Quarterly Report”) for the quarter ended September 30, 2013, which was originally filed with the Securities and Exchange Commission (the “SEC”) on November 19, 2013. We are filing this Amendment in connection with our accountant’s review of the original Quarterly Report following filing of the Annual Report on Form 10-K for the year ended 12-31-2013.

Acacia Diversified Holdings, Inc. is filing this Amendment to its Quarterly Report on Form 10-Q for the period ended September 30, 2013, to amend and restate financial statements and certain other information for the three months and nine months ended September 30, 2013.

We have determined that our previously reported financial results for the three months and nine months ended September 30, 2013 contained the inclusion of charges related to certain Customer Lists and Trade Secret Agreements as assets, while our accountants elected to not include those assets on the subsequent Annual Report on Form 10-K for the year ended 12-31-2013.

Moreover, we have further determined that management's discussion provided in various parts of that quarterly report required some restatement to provide an accurate basis for review following exclusion of the charges for those assets.

Accordingly, we have made necessary conforming changes in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” resulting from those changes.

Management does not consider any of the previously reported financial information to have contained material deficiencies. As such, this Amendment does not reflect any material changes to the financial statements of the Company, but is changed to properly reflect changes to the Company’s balance sheet and financial statements occurring from that reported on the Quarterly Report on Form 10-Q for the period ending 9-30-2013 and the Annual Report on Form 10-K for the year ending 12-31-2013.

The financial information and discussions presented in the Company’s Annual Report on Form 10-K for the year ended 12-31-2013 incorporate and include the changes reflected in the amendments to the financial information presented in the Quarterly Report as Amended on Form 10-Q/A for the period ended September 30, 2013. Readers are advised that they can rely upon the information presented in that report on Form 10-K as being accurate.

The following sections of this Form 10-Q/A have been revised to reflect the restatement:

Part I

Item 1 – Financial Statements

Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations

Part II

Item 5 – Other Information

Other than those amendments listed above, no attempt has been made in this Amendment to modify or update other disclosures presented in the original Quarterly Report. This Amendment does not reflect events occurring after the

filing of the original Quarterly Report or modify or update those disclosures, including the exhibits to the Original Quarterly Report affected by subsequent events. Accordingly, this Amendment should be read in conjunction with our filings with the SEC subsequent to the filing of the original Quarterly Report, including any amendments to those filings.

In light of the amendments provided herein, readers are warned to not rely on the information disclosed for those three months and nine months ended September 30, 2013 as reported on Form 10-Q by the Company on November 19, 2013. Except to the extent relating to the restatement of our financial statements and other financial information described above, the financial statements and other disclosure in this Form 10-Q/A do not reflect any events that have occurred after this Form 10-Q was initially filed on November 19, 2013. That is, the Company does not make any attempt herein to disclose or otherwise account for events subsequent to the periods contemplated herein, other than those events specifically referenced herein.

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ACACIA DIVERSIFIED HOLDINGS, INC.
(Previously Acacia Automotive, Inc.)
CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (Unaudited) (Restated)	December 31, 2012 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,914	\$ 189,260
Account receivable	-	7,500
Deposits and prepaid expenses	5,841	4,107
Total Current Assets	8,755	200,867
Property and equipment, net of accumulated depreciation of \$64,061 and \$28,649 in 2013 and 2012, respectively	702,627	25,738
Total Assets	\$ 711,382	\$ 226,605
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable	\$ 233,982	\$ 46,967
Accrued liabilities	398,343	49,044
Shareholder payable/receivable	20,955	4,270
Capital lease obligations, current portion	-	9,234
Note payable, current portion	89,200	39,000
Total Current Liabilities	742,480	148,515
Noncurrent Liabilities		
Capital lease obligations, less current portion	-	-
Note payable, long term	175,315	24,025
Total Liabilities	917,795	172,540
Stockholders' Equity (Deficit)		
Common stock, \$0.001 par value, 150,000,000 shares authorized; 12,486,809 and 11,562,524 issued and outstanding at September 30, 2013 and December 31, 2012.	12,487	11,562
Additional paid-in capital	11,789,589	11,553,491
Retained deficit	(12,008,489)	(11,510,988)
Total Stockholders' Equity (Deficit)	(206,413)	54,065
Total Liabilities and Stockholders' Equity (Deficit)	\$ 711,382	\$ 226,605

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

Table of Contents

ACACIA DIVERSIFIED HOLDINGS, INC.
(Previously Acacia Automotive, Inc.)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
	(Restated)		(Restated)	
Revenues	\$ 45,343	\$ -	\$ 45,343	\$ -
Cost of revenues, including depreciation of \$27,091	(112,270)	-	(112,270)	-
Gross profit (loss)	(66,927)	-	(66,927)	-
Costs and expenses				
Employee compensation	35,778	104,661	137,604	252,705
General and administrative	71,105	138,715	284,350	276,685
(Gain) loss on sale of assets	-	4,430	-	4,430
Depreciation and amortization	2,770	4,249	8,321	12,784
Total costs and expenses	109,653	252,055	430,275	546,604
Operating income (loss) before other income (expense) and income taxes	(176,580)	(252,055)	(497,202)	(546,604)
Other income (expense)				
Other income	-	-	10,035	-
Interest expense	(6,316)	7,477	(10,334)	5,845
Total other income (expense)	(6,316)	7,477	(299)	5,845
Income (loss) before income taxes	(182,896)	(244,578)	(497,501)	(540,759)
Income taxes	-	-	-	-
Income (loss) from continuing operations	(182,896)	(244,578)	(497,501)	(540,759)
Gain on discontinued operations				
Gain on discontinued operations, net	-	36,047	-	337,434
Gain on disposition of discontinued operations	-	571,979	-	571,979
Net gain (loss) from discontinued operations	-	608,026	-	909,413
Net income (loss)	\$ (182,896)	\$ 363,448	\$ (497,501)	\$ 368,654
Basic and diluted income (loss) per share				
Loss from continuing operations	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.05)
Income from discontinued operations, net	\$ -	\$ 0.05	\$ -	\$ 0.08
Net income (loss)	\$ (0.02)	\$ 0.03	\$ (0.04)	\$ 0.03
Weighted average number of common shares outstanding	12,255,738	11,562,524	11,839,809	11,562,524

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

Table of Contents

ACACIA DIVERSIFIED HOLDINGS, INC.
(Previously Acacia Automotive, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(Unaudited)

	2013 (Restated)	2012
Cash flows from operating activities		
Net Income (loss)	\$ (497,501)	\$ 368,654
Less (income) from discontinued operations, net of income taxes	-	(909,413)
Net (loss) before discontinued operations	(497,501)	(540,759)
Adjustment to reconcile net loss before discontinued operations to net cash provided by		
(used in) operating activities:		
Depreciation and amortization	35,412	12,784
Stock options issued for services	21,144	39,675
Common stock issued for services	18,071	-
(Gain) loss on disposal of assets	-	4,430
Changes in Operating Assets and Liabilities		
Deposits and prepaid expenses	3,266	(3,114)
Accounts receivable	7,500	-
Accounts payable	187,015	(142,317)
Accrued liabilities	55,906	(419,950)
Shareholder payable/receivable	16,685	(55,859)
Cash flow provided by (used in) continuing activities	(152,502)	(1,105,110)