

VIEW SYSTEMS INC
Form 10QSB/A
March 26, 2007

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

FORM 10-QSB/A
Amendment No. 1

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

For the quarterly period ended September 30, 2006

[]
TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 0-30178

VIEW SYSTEMS, INC.

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

Nevada
(State of incorporation)

59-2928366
(I.R.S. Employer Identification No.)

1550 Caton Center Drive, Suite E, Baltimore, Maryland 21227

(Address of principal executive offices)

(410) 242-8439

(Issuer's telephone number)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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

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 October 26, 2006 View Systems, Inc. had 92,217,422 shares of common stock outstanding.

Transitional small business disclosure format: Yes No

EXPLANATORY NOTE

Due to a regulatory review by the SEC, we have restated our financial statements for the quarterly period ended September 30, 2006 and 2005. See the Restatement note to the financial statements included in this report for an explanation of the restatement. The non-financial disclosures in this report are as of the original filing date of November 14, 2006 and do not include subsequent events.

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PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The financial information set forth below with respect to our statements of operations for the three and nine month periods ended September 30, 2006 and 2005 is unaudited. This financial information, in the opinion of management, includes all adjustments consisting of normal recurring entries necessary for the fair presentation of such data. The results of operations for the nine month period ended September 30, 2006 are not necessarily indicative of results to be expected for any subsequent period.

View Systems, Inc.

Consolidated Financial Statements

September 30, 2006

View Systems, Inc. and Subsidiaries
Consolidated Balance Sheets

	<u>ASSETS</u>		
		September 30,	December 31,
		2006	2005
		(Unaudited-Restated)	(Restated)
Current Assets			
Cash		\$ 16,723	\$ 8,708
Accounts Receivable (Net of Allowance of \$16,675 and \$64,486 as of September 30, 2006 and December 31, 2005)		159,446	280,001
Inventory		155,715	72,012
Total Current Assets		331,884	360,721
Property & Equipment (Net)		27,966	18,043
Other Assets			
Licenses		1,283,261	1,311,980
Due from Affiliates		117,341	95,575
Deposits		9,646	7,291
Total Other Assets		1,410,248	1,414,846
Total Assets		\$ 1,770,098	\$ 1,793,610

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities			
Accounts Payable		\$ 504,786	\$ 343,429
Accrued Expenses		58,135	43,229
Accrued Interest		98,502	77,000

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Accrued Royalties	56,250	75,000
Loans from Shareholder	103,300	64,000
Notes Payable	536,426	110,000
 Total Current Liabilities	 1,357,399	 712,658
 Stockholders' Equity		
Preferred Stock, Authorized 10,000,000 Shares, \$.01 Par Value,		
Issued and outstanding 7,171,725	71,717	71,717
Common Stock, Authorized 100,000,000 Shares, \$.001 Par Value,		
Issued and Outstanding 92,337,422	92,338	-
Issued and Outstanding 90,775,752	-	90,776
Additional Paid in Capital	19,438,109	19,293,804
Retained Earnings (Deficit)	(19,189,465)	(18,375,345)
 Total Stockholders' Equity	 412,699	 1,080,952
 Total Liabilities and Stockholders' Equity	 \$ 1,770,098	 \$ 1,793,610

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

View Systems, Inc. and Subsidiaries
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2006	2005	2006	2005
	(Restated)	(Restated)	(Restated)	(Restated)
Revenues, Net	\$ 177,950	\$ 338,941	\$ 802,928	\$ 820,497
Cost of Sales	90,754	109,541	409,493	339,049
Gross Profit (Loss)	87,196	229,400	393,435	481,448
Operating Expenses				
Business Development	34,330	28,218	147,707	60,864
General & Administrative	92,097	83,963	339,324	230,463
Professional Fees	19,375	323,466	122,807	393,322
Salaries & Benefits	156,106	87,304	572,977	321,669
Total Operating Expenses	301,908	522,951	1,182,815	1,006,318
Net Operating Income (Loss)	(214,712)	(293,551)	(789,380)	(524,870)
Other Income(Expense)				
Interest Expense	(10,725)	(2,961)	(24,740)	(8,499)
Total Other Income(Expense)	(10,725)	(2,961)	(24,740)	(8,499)
Net Income (Loss)				

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	\$	\$	\$	\$
	(225,437)	(296,512)	(814,120)	(533,369)
Net Income (Loss) Per Share	\$	\$	\$	\$
	(0.00)	(0.00)	(0.01)	(0.01)
Weighted Average Shares Outstanding	92,004,089	83,304,922	91,271,864	79,990,172

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

View Systems, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity (Deficit)

	Preferred		Common		Additional Paid-in Capital	Retained Earnings (Deficit)
	Shares	Amount	Shares	Amount		
Balance, December 31, 2004	-	-	76,533,922	\$ 76,534	\$ 17,119,596	\$ (15,901,411)
January - March 2005 - shares issued for cash	-	-	155,000	155	15,345	-
January - March 2005 - shares issued in payment of accounts payable	-	-	128,000	128	18,872	-
January - March 2005 - shares issued for services	-	-	1,805,000	1,805	191,335	-
April - June 2005 - shares issued for cash	-	-	2,287,500	2,288	114,713	-
April - June 2005 - shares issued for services	-	-	1,242,000	1,242	77,004	-
July - September 2005 - shares issued for cash	-	-	612,000	612	55,588	-

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July - September 2005 - shares issued for services	-	-	150,000	150	37,998	-
July - September 2005 - shares issued	7,171,725	71,717	-	-	-	-
October - December 2005 - shares issued for cash	-	-	953,330	953	122,880	-
October - December 2005 - shares issued for services	-	-	6,909,000	6,909	1,540,473	-
Net loss for the year ended December 31, 2005	-	-	-	-	-	(2,473,934)
Balance, December 31, 2005	7,171,725	71,717	90,775,752	90,776	19,293,804	(18,375,345)
January - March 2006 -shares issued for cash	-	-	100,000	100	9,900	-
January - March 2006 -shares issued for services	-	-	160,000	160	15,840	-