

RUBICON FINANCIAL INC
Form 10-Q
August 19, 2009

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

FORM 10-Q

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

For the quarterly period ended June 30, 2009

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

Commission file number 000-29315

RUBICON FINANCIAL INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

13-3349556
(I.R.S. Employer Identification No.)

4100 Newport Place
Suite 600
Newport Beach, California 92660
(Address of principal executive offices)

(949) 798-7220
(Registrant's telephone number, including area code)

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.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

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 of Common Stock, \$0.001 par value, outstanding on August 14, 2009, was 12,596,773, which includes 620,000 shares authorized but unissued.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Rubicon Financial Incorporated
Condensed Consolidated Balance Sheets

	June 30, 2009 (Unaudited)	December 31, 2008 Audited
Assets		
Current assets:		
Cash	\$ 278,216	\$ 212,657
Cash – restricted	311,729	201,571
Marketable securities	458,302	530,380
Accounts receivable	557,518	481,523
Prepaid expenses	48,207	41,311
Notes receivable	124,202	124,202
Interest receivable	8,632	4,906
Total current assets	1,786,806	1,596,550
Fixed assets, net of accumulated depreciation of \$160,421 and \$134,565, respectively	119,701	136,159
Other assets:		
Contract advances	213,071	277,197
Deposits	30,554	38,554
Intangible assets – customer list	2,439,671	2,439,671
Total other assets	2,683,296	2,755,422
Total assets	\$ 4,589,803	\$ 4,488,131
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 304,495	\$ 242,335
Accrued expenses	615,169	583,437
Investment obligation	487,000	487,000
Deferred revenue	103,995	147,367
Capital lease obligation	7,126	12,223
Line of credit	99,550	-
Notes payable – related party	5,859	4,500
Total current liabilities	1,623,194	1,476,862
Stockholders' equity		
Preferred stock, \$0.001 par value, 9,000,000 shares authorized, no shares issued and outstanding as of June 30, 2009 and December 31, 2008, respectively	-	-
Preferred series “A”, \$0.001 par value, 1,000,000 shares authorized, 62,500 shares issued and outstanding as of June 30, 2009 and December 31, 2008, respectively	63	63
Common stock, \$0.001 par value, 50,000,000 shares authorized, 11,976,773 and 11,976,773 shares issued and outstanding as of June 30, 2009 and December 31, 2008, respectively	11,977	11,977
Common stock owed but not issued, 620,000 and 499,790 as of June 30, 2009 and December 31, 2008, respectively	620	498

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Additional paid in capital	18,098,532	17,971,575
Unamortized shares and options issued for services	(216,554)	(433,108)
Other comprehensive losses	(1,046,385)	(611,861)
Accumulated (deficit)	(13,881,644)	(13,927,875)
Total stockholders' equity	2,966,609	3,011,269
Total liabilities and stockholders' equity	\$ 4,589,803	\$ 4,488,131

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

Rubicon Financial Incorporated
Condensed Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2009	2008	2009	2008
Revenue	\$ 3,113,005	\$ 704,283	\$ 5,434,770	\$ 799,503
Expenses:				
Direct costs	2,028,550	726,926	3,820,730	740,876
Consulting	375	65,205	375	114,915
Professional fees	61,155	49,656	148,486	165,590
Executive compensation	233,848	1,240,936	486,250	1,683,865
General and administrative expenses	596,485	381,514	924,640	707,499
Depreciation and amortization	13,035	32,190	25,856	39,020
Total expenses	2,933,448	2,496,427	5,406,337	3,451,765
Net operating income (loss)	179,557	(1,792,144)	28,433	(2,652,262)
Other income (expense):				
Interest expense	(3,550)	(1,730)	(7,672)	(3,260)
Interest expense - related party	-	(3,901)	-	(7,801)
Interest income	2,052	15,540	9,145	28,735
Other income	1,546	42,841	16,325	42,841
Minority interest income (loss)	-	19,763	-	(40,160)
Total other income (expense)	48	72,513	17,798	20,355
Net income (loss)	179,605	(1,719,631)	46,231	(2,631,907)
Other comprehensive (loss)	-	-	-	(315,000)
Total comprehensive income (loss)	\$ 179,605	\$ (1,719,631)	\$ 46,231	\$ (2,946,907)
Weighted average number of common shares outstanding - basic and fully diluted	11,976,773	10,093,812	11,976,773	11,518,151
Net income (loss) per share - basic and fully diluted	\$ 0.01	\$ (0.17)	\$ 0.00	\$ (0.26)

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

Rubicon Financial Incorporated
Condensed Consolidated Statements of Cash Flows
(Unaudited)

For the Six Months Ended
June 30,
2009 2008

Cash flows from operating activities		
Net income (loss)	\$ 46,231	\$ (2,631,907)
Adjustments to reconcile net (loss) to net cash (used) in operating activities:		
Depreciation expense	25,856	39,020
Impairment of goodwill	-	-
Minority interest losses	-	40,160
Amortization of prepaid share-based compensation	216,554	698,481
Shares and options issued for services	30,000	737,764
Changes in operating assets and liabilities:		
Accounts receivable	(150,121)	26,110
Prepaid expenses	(6,896)	45,053
Deposits	-	-
Employee advances	-	(8,452)
Accrued interest receivable	(3,726)	(1,130)
Accounts payable and accrued liabilities	93,892	98,231
Investment obligation	-	(104,000)
Deferred revenue	(43,372)	56,085
Accrued interest payable - related party	-	7,801
Net cash provided (used) by operating activities	216,418	(996,784)
Cash flows from investing activities		
Payments on notes receivable – related party	-	(2,000)
Purchase of fixed assets	(9,398)	(63,281)
Distribution of assets – related party	-	89,716
Purchase of intangible assets	-	(762,313)
Purchase of investments	(125,756)	-
Net cash (used) by investing activities	(135,154)	(737,878)
Cash flows from financing activities		
Cash acquired with mergers	-	388,610
Proceeds from line of credit	99,550	-
Payments on capital lease	(5,097)	-
Shares issued for cash	-	170,000
Net cash provided by financing activities	94,453	558,610
Net increase (decrease) in cash	175,717	(1,176,052)
Cash - beginning	414,228	1,892,541
Cash - ending	\$ 589,945	\$ 716,489
Supplemental disclosures:		
Interest paid	\$ 7,672	\$ 3,572
Income taxes paid	\$ -	\$ 3,750

Non-cash financing activities:

Shares and options issued for services	\$	30,000	\$	737,764
Shares issued for acquisition	\$	-	\$	1,680,000

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

RUBICON FINANCIAL INCORPORATED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1- Basis of Presentation

The unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and reflect all adjustments which, in the opinion of management, are necessary for a fair presentation. All such adjustments are of a normal recurring nature. The results of operations for the interim period are not necessarily indicative of the results to be expected for a full year. Certain amounts in the prior year statements have been reclassified to conform to the current year presentations. The statements should be read in conjunction with the financial statements and footnotes thereto included in our audit for the year ended December 31, 2008.

NOTE 2 – Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These conditions give rise to doubt about the Company's ability to continue as a going concern. These financial statements do not include adjustments relating to the recoverability and classification of reported asset amounts or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to obtain additional financing or sale of its common stock as may be required and ultimately to attain profitability.

NOTE 3 – Restricted Cash

The Company's wholly owned subsidiary, GBI, has entered into securities clearing agreements with Penson Financial Services, Inc. and Wedbush, Morgan Securities, Inc. Pursuant to these agreements, the Company is required to maintain a deposit account with each respective clearing firm in amounts determined based on the Company's transaction volume. As of June 30, 2009, the Company maintained deposits of \$250,405 and \$61,324, respectively.

NOTE 4 - Marketable securities

Investments in marketable securities primarily include shares of common stock in various companies held as available-for-sale and carried at fair market value, with the unrealized gains and losses, included in the determination of comprehensive income and reported in shareholders' equity. On November 27, 2007, Rubicon entered into a Share Purchase Agreement with American International Industries, Inc. ("AMIN"), whereby Rubicon agreed to issue 1,000,000 shares of its common stock in exchange for 200,000 shares of AMIN and \$1,000,000 in cash. Rubicon recorded marketable securities of \$1,000,000, representing the fair market value of AMIN's common stock (\$5 per share) on the date of agreement. On August 8, 2008 AMIN issued a stock dividend equal to 40,000 shares of their common stock. The fair value of the dividend was \$121,200. On April 4, 2009, Rubicon transferred its AMIN holdings to its subsidiary, GBI as an intercompany transaction. In addition to the AMIN securities, GBI holds various other securities as available-for-sale. On June 30, 2009, management evaluated the fair value of all securities held as available-for-sale and recorded consolidated other comprehensive losses totaling \$232,093.

NOTE 5 – Notes receivable

On April 18, 2008, Rubicon amended its \$20,000 note receivable with its RREM subsidiary, whereby Joel Newman, the former President of RREM accepted full liability for the principal balance of \$20,000. The amended terms require interest to accrue at a rate of 6% per annum and mature on April 18, 2009. The outstanding principal balance as of March 31, 2009 was \$19,202. In addition, Mr. Newman owes \$5,000 in the form of a demand note, which accrues interest at a rate of 6% per annum. As of June 30, 2009, Mr. Newman's principal balances totaled \$24,202 with accrued interest receivable of \$2,132.

On June 3, 2008, Rubicon issued a note receivable in the amount of \$100,000 to Marc Riviello pursuant to the "Stock Repurchase and Settlement Agreement". The note accrues interest at a rate of 6% per annum and was due June 1, 2009. As of June 30, 2009, the principal balance was \$100,000 and accrued interest receivable totaled \$6,500. Rubicon has initiated collection efforts on this note.

NOTE 6 – Related Party Transactions

On February 5, 2009, the Company entered into a short-term consulting agreement with Bootstrap Real Estate Investments, LLC, a company controlled by Mr. Todd Vande Hei, a former director, former executive officer and current shareholder. Pursuant to the agreement, the Company authorized the issuance of 120,000 shares of restricted common stock for services valued at \$30,000, or \$0.25 per share. As of the date of this filing, the shares are unissued.

NOTE 7 – Notes payable

A summary of short-term debt consists of the following:

	June 30, 2009	December 31, 2008
Demand note payable to an officer and shareholder for \$4,500, unsecured, non-interest bearing and due on demand	\$ 5,859	\$ 4,500
Capital lease obligation, maturing October 2009	7,126	12,223
Line of credit, secured by cash deposit, interest rate of 2.25%	99,550	-0-
	\$ 112,535	\$ 16,723

Interest expense for the three and six months ended June 30, 2009 and 2008 was \$3,550, \$7,672 and \$5,631, \$11,061, respectively.

NOTE 8 – Stockholders' equity

The Company is authorized to issue 50,000,000 shares of Common Stock, \$0.001 par value per share. Holders of shares of Common Stock are entitled to one vote for each share on all matters to be voted on by the stockholders, are without cumulative voting rights, and are entitled to share ratably in dividends. In the event of a liquidation, dissolution, or winding up of the Company, the holders of shares of Common Stock are entitled to share pro rata all assets remaining after payment in full of all liabilities. Holders of Common Stock have no preemptive rights to purchase the Company's Common Stock. There are no conversion rights or redemption or sinking fund provisions with respect to the common stock.

The Company is authorized to issued 10,000,000 shares of Preferred Stock of which, 1,000,000 shares have been designated as Series "A". Holders' of the Series "A" preferred stock shall not have any voting rights, except in the case of voting on a change in the preferences of shares. In the event of any liquidation, dissolution, or winding up of the Company, the holders of shares shall be entitled to receive, prior and in preference to any distribution of any of the assets of this Company an amount per share equal to the sum of \$2.00 for each outstanding share and an amount equal to 12% of the original series A issue price for each 12 months that has passed since the date of issuance of any shares. In addition, each share shall be convertible into shares of the Company's common stock at a price per share of \$0.50 at the option of the holder at any time following the date of issuance.

2009

On February 5, 2009, the Company entered into a short-term consulting agreement with Bootstrap Real Estate Investments, LLC, a company controlled by Mr. Todd Vande Hei, a former director and current shareholder. Pursuant to the agreement, the Company authorized the issuance of 120,000 shares of restricted common stock for services valued at \$30,000, or \$0.25 per share. The Company recorded an expense to executive compensation of \$30,000. As of the date of this filing, the shares are unissued.

NOTE 9 – Warrants and options

A summary of stock options and warrants as of June 30, 2009 is as follows:

	Options	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Outstanding as of 01/01/08:	1,500,000	\$ 1.79	100,000	\$ 3.00
Granted	500,000	1.00		
Cancelled	(200,000)	1.00		
Exercised	-			
Outstanding as of 01/01/09:	1,800,000	\$ 1.66	100,000	\$ 3.00
Granted	-	-	-	-
Cancelled	(500,000)	2.50	-	-
Exercised	-	-	-	-
Outstanding as of 06/30/09:	1,300,000	\$ 1.33	100,000	\$ 3.00
Vested as of 06/30/09:	1,000,000	\$ 1.00	100,000	\$ 3.00

NOTE 10 – Operating Segments

Rubicon’s operating segments are evidence of its internal organization. The major segments are defined by the type of financial services offered. Each segment operates in a distinct industry: brokerage services (GBI), mortgage and real estate services (RREM) and personal and commercial insurance services (RREM). DAC is currently inactive and not considered an operating segment of Rubicon. Where applicable, “Corporate” represents items necessary to reconcile to the consolidated financial statements, which generally include corporate activity and eliminations.

Net revenues as shown below represent commissions earned for each segment. Intercompany revenues have been eliminated and are immaterial for separate disclosure. Rubicon evaluates performance of individual operating segments based on pre-tax income (loss). On a consolidated basis, this amount represents total comprehensive loss as shown in the unaudited condensed consolidated statement of operations. Reconciling items represent corporate costs that are not allocated to the operating segments including; stock-based compensation expense and intercompany eliminations.

	Three Months Ended June 30,		Six Months Ended June 30	
	2009	2008	2009	2008
Net Revenue				
Insurance services	\$ 162,896	\$ 74,860	\$ 312,643	\$ 144,911
Mortgage services	13,113	108,359	13,113	133,528
Brokerage services(1)	2,936,996	521,064	5,109,014	521,064
	3,113,005	704,283	5,434,770	799,503
Expenses				
Insurance services	126,212	126,884	267,944	233,339
Mortgage services	13,171	146,512	14,191	245,244
Brokerage services(1)	2,430,558	799,235	4,500,761	799,235
Corporate	363,507	1,423,796	623,441	2,173,947
	2,933,448	2,496,427	5,406,337	3,451,765
Net operating income (loss)	\$ 179,557	\$ (1,792,144)	\$ 28,433	\$ (2,652,262)

(1) The GBI acquisition was not consummated until June 2, 2008.

NOTE 11 – Net capital requirement

The Company’s wholly owned subsidiary, GBI, is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital, as defined, equal to the greater of \$100,000 or 6 2/3% of aggregate debt balances, as defined in the SEC’s Reserve Requirement Rule (Rule 15c3-3). At June 30, 2009, GBI had net capital of \$629,208 and was \$529,208 in excess of its required net capital of \$100,000.

NOTE 12 – Subsequent Events

On July 15, 2009, the Company issued 2,500 shares of its restricted common stock to each of the members of its Board of Director's (7,500 shares in total) for their services.

In July of 2009, the Company filed its first amended complaint against Grant Bettingen and Grant Bettingen, as Trustee of the 1999 Bettingen Trust U/D/T October 8, 1999, seeking damages for (i) Breach of Contract, (ii) Fraud, (iii) Declaratory Relief, (iv) Breach of Covenant of Good Faith and Fair Dealing, and (v) Unjust Enrichment. These claims arise from the June 2008 merger between the Company and Grant Bettingen, Inc. On or about August 10, 2009, the Company was served with a suit from M. Grant Bettingen, the Bettingen 1999 Trust and Christi Bettingen stemming from the same transaction. The case is currently pending.

Pursuant to FAS 165, management has evaluated all events and transactions that have occurred subsequent to the balance sheet date and has determined that there are no additional material events which have occurred as of August 19, 2009, that would be deemed significant or require recognition or additional disclosure.

FORWARD-LOOKING STATEMENTS

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words “may,” “could,” “estimate,” “intend,” “continue,” “believe,” “expect” or “anticipate” or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we make in this Quarterly Report on Form 10-Q, Annual Report on Form 10-K and Current Reports on Form 8-K.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors impacting these risks and uncertainties include, but are not limited to:

- deterioration in general or regional (especially Southern California) economic, market and political conditions;
 - our ability to successfully compete in the financial services industry;
 - actions and initiatives taken by both current and potential competitors;
 - inability to raise additional financing for working capital;
- inability to locate potential mergers and acquisitions within the financial services industry and integrate acquired companies into our organization;
- deterioration in the financial services markets, lending markets and the real estate markets in general as a result of the delinquencies in the “subprime” mortgage markets;
 - the level of volatility of interest rates as well as the shape of the yield curve;
- the fact that our accounting policies and methods are fundamental to how we report our financial condition and results of operations, and they may require management to make estimates about matters that are inherently uncertain;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- changes in U.S. GAAP or in the legal, regulatory and legislative environments in the markets in which we operate;
 - inability to efficiently manage our operations;
 - inability to achieve future operating results;
 - the unavailability of funds for capital expenditures;
 - our ability to recruit and hire key employees;
- the inability of management to effectively implement our strategies and business plans; and
 - the other risks and uncertainties detailed in this report.

For a detailed description of these and other factors that could cause actual results to differ materially from those expressed in any forward-looking statement, please see “Risk Factors” in this document and in our Annual Report on Form 10-K for the year ended December 31, 2008.

In this form 10-Q references to “Rubicon”, “the Company”, “we,” “us,” and “our” refer to Rubicon Financial Incorporated and wholly owned operating subsidiaries, Grant Bettingen, Inc. Rubicon Financial Insurance Services, Inc., Rubicon Real Estate and Mortgages, Inc. and Dial-A-Cup, Inc.

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

Overview of Current Operations

The Company

Rubicon Financial Incorporated, together with its wholly owned subsidiaries, provides a wide variety of products and services to a diversified group of clients and customers, which include both corporations and individuals. Our business includes security underwriting and distribution; financial advisory services, including advice on mergers and acquisitions, restructurings, real estate and project financing; sales, trading, financing and market making activities in equity securities, related products and fixed income securities. We provide brokerage and investment advisory services covering various investment alternatives; financial and wealth planning; annuity and insurance products; and real estate investments and services. Rubicon, as the Parent, is continually focusing its efforts towards the integration of our existing platforms while simultaneously seeking future acquisitions in an effort to further augment a tailored financial service experience for our clientele as well as expanding the diversity of financial products available to meet their individual needs.

Overview of Financial Services

Economic Conditions

Our revenues are derived primarily from managed investment portfolios with the majority of our assets under management being located within the United States. Our revenues depend largely on the total value and composition of assets under our management. Accordingly, fluctuations in financial markets and in the composition of assets affect our revenues and results of operations. The significant downturn in the financial and real estate markets during 2008, and the first half of 2009, has had a material effect on investor returns and real property values. Though we have not experienced significant declines in our brokerage or insurance services, the impact to our real estate services has been considerable. In response, we have implemented measures to reduce overall operating costs through the reduction of staff and administrative expenses. Although we have not made any fundamental changes to our business model like many other financial service companies, as part of our long term growth strategy, we continually evaluate our existing portfolio of businesses as well as new business opportunities to ensure we are investing in those businesses with the largest growth potential. In response to the current market conditions, we have redirected a portion of the resources previously allocated to the development of our real estate and mortgage division until such time there is sufficient recognition of recovery.

Recent Developments

In March of 2009, we executed a non-binding letter of intent to acquire 100% of 1000 BARS, Inc., a private Nevada corporation focused on the preservation of the long-term value of assets through buying and selling strategies of physical precious metals, specializing in 1000 oz bars of silver. 1000 BARS has also developed commodity market strategies for the owners of physical bars of silver.

Results of Operations

The following tables summarize selected items from the statement of operations for the three and six months ended June 30, 2009 and the comparable periods ended June 30, 2008.

Revenue:

	Three Months Ended			Six Months Ended		
	June 30,		%	June 30,		%
	2009	2008	Change	2009	2008	Change
Consolidated						
Revenue	\$ 3,113,005	\$ 704,283	342%	\$ 5,434,770	\$ 799,503	580%
Operating expenses	\$ 2,933,448	\$ 2,496,427	18%	\$ 5,406,337	\$ 3,451,765	57%
Net operating income (loss)	\$ 179,557	\$ (1,792,144)	-	\$ 28,433	\$ (2,652,262)	-

Overall revenues increased 342% during the second fiscal quarter of 2009 and 580% during the six months ended June 30, 2009. In 2008, we were continuing to invest significant financial and administrative resources towards the closing of the acquisition of GBI, which was consummated on June 2, 2008. The significant revenue increase for the year over year periods is the result of the significant resources expended prior to the acquisition of GBI and the consolidated results of operations for GBI. Further, the results of operations for 2008 only include those of GBI for the 28 day period from June 2, 2008 through June 30, 2008.

During the three and six-month periods ended June 30, 2009 we generated a net operating income of \$179,557 and \$28,433, respectively. These were our first quarters with operating income since our transition into the financial services industry.

Revenue by Segment

	Three Months Ended June 30,			Six Months Ended June 30,		
	2009	2008	% Change	2009	2008	% Change
Revenue						
Insurance services	\$ 162,896	\$ 74,860	118%	\$ 312,643	\$ 144,911	116%
Mortgage services	13,113	108,359	(88%)	13,113	133,528	(90%)
Brokerage services	2,936,996	521,064	464%	5,109,014	521,064	880%
Total revenue	\$ 3,113,005	\$ 704,283	342%	\$ 5,434,770	\$ 799,503	580%

Insurance Services: RFIS experienced an expected increase of 118% and 116% in revenues from insurance services for the three and six months ended June 30, 2009. RFIS earned \$162,896 during the second quarter compared to \$74,860 over the same three month period in 2008. This is the result of an augmented focus towards increasing the ratio of commercial lines verses personal lines in its overall market base. RFIS believes the commercial lines will provide greater ability to increase the insurance services revenue steam as well as provide further stability to its long term growth platform. RFIS anticipates a financial recognition of these efforts through increased commission revenue during the second half of 2009.

Mortgage Services: During the three months ended June 30, 2009 RREM earned \$13,113 in commissions compared to \$108,359 for the six month period in 2008, resulting in a 90% decrease in revenues. The current economic conditions of the real estate market have limited RREM's ability to generate revenue on the sales of residential real estate. RREM is continuing to seek additional sources of revenue while also increasing its marketing area.

Brokerage Services: We expended a tremendous amount of financial and administrative resources prior to acquiring GBI in June of 2008, which enabled us to aggressively expand GBI's operations following its acquisition. GBI represents the majority of our revenues and services; representing approximately 94% of our total revenues for the three and six-month periods ended June 30, 2009. Consolidated revenue for the three and six months ended June 30, 2009 was \$2,936,996 and \$5,109,014, respectively, versus \$521,064 for the twenty-eight days ended June 30, 2008. GBI anticipates additional increases in commission revenue as it enters the third quarter through the continued addition to its broker base and efforts to seek and add additional brokerage and investment banking branches.

Selling and Administrative Expenses:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2009	2008	% Change	2009	2008	% Change
Direct costs	\$ 2,028,550	\$ 726,926	179%	\$ 3,820,730	\$ 740,876	416%
Consulting	375	65,205	(99%)	375	114,915	-
Professional fees	61,155	49,646	23%	148,486	165,590	(10%)
Executive compensation	233,848	1,240,936	(81%)	486,250	1,683,865	(71%)
General expenses	596,485	381,514	56%	924,640	707,499	31%
Depreciation and amortization	13,035	32,190	(60%)	25,856	39,020	(34%)
Operating expenses	\$ 2,933,448	\$ 2,496,427	18%	\$ 5,406,337	\$ 3,451,765	57%

Operating expenses only increased 18% over the previous three month comparable period and 57% for the six month comparable period ended June 30, 2009. Significant increases were expected in direct costs associated with GBI's operations; however, we had significant decreases in consulting and executive compensation expenses.

Our direct costs are comprised of commissions paid to associates and miscellaneous fees related directly to the generation of revenue. These costs have a direct relationship to our revenue and will increase or decrease with changes in revenue.

Expenses by Segment

RFIS:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2009	2008	% Change	2009	2008	% Change
Insurance services						
Direct costs	\$ 38,263	\$ 41,460	(8%)	\$ 98,396	\$ 55,135	78%
Consulting	375	9,000	(96%)	375	12,000	(97%)
Professional fees	2,540	6,000	(58%)	4,396	15,000	(71%)
Executive compensation	15,000	15,000	-	30,000	30,000	-
General expenses	69,870	55,260	26%	134,448	120,875	11%
Depreciation	164	164	-	329	329	-
Operating expenses	\$ 126,212	\$ 126,884	(1%)	\$ 267,944	\$ 233,339	15%

To meet the objectives of our business plan, RFIS initially focused on personal insurance lines including home, auto and life. RFIS now expanded focus to included full commercial lines in its product mix. Through the addition of commercial products, RFIS's gross commission income is anticipated to increase substantially. With the increased commission revenue, RFIS's commission expense included in its direct costs has also increased. On average, RFIS will pay a 50% commission to its agents on each commercial policy written verses approximately 5% on personal lines. RFIS's six-month increase in expenses of 15% is attributable to increases in all policies written.

As of June 30, 2009, RFIS had seven full-time agents and three full-time administrative staff. Base salaries are included in the general expenses and although RFIS has experienced an approximate 31% increase in the three-month period, it has been able to reduce external consulting fees and professional fees by 96% and 58%, respectively. In addition, during the six-month period RFIS had reductions of 97% and 71%, respectively.

RREM:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2009	2008	% Change	2009	2008	% Change
Mortgage services						
Direct costs	\$ 11,146	\$ 50,149	(78%)	\$ 11,146	\$ 50,424	(78%)
Consulting	-	-	-	-	1,710	-
Professional fees	-	3,000	-	-	6,000	-
Executive compensation	-	22,893	-	-	58,211	-
General expenses	1,785	70,230	(97%)	2,593	128,447	(98%)
Depreciation	240	240	-	452	452	-
Operating expenses	\$ 13,171	\$ 146,512	(91%)	\$ 14,191	\$ 245,244	(94%)

RREM experienced a 78% decrease in direct costs for the three and six month periods ended June 30, 2009 due to the substantial reduction in operations. Further, RREM's general and administrative expenses have decreased 97% and 98% from 2008 for the three and six month periods ended June 30, 2009, respectively. The decrease was anticipated with the dormancy of operations and general economic conditions affecting the real estate industry, especially in Southern California.

GBI:

On June 2, 2008, we consummated our staged acquisition of GBI, which began with the purchase of approximately 15% interest in September 2007 and an additional 6% in March of 2008. We have included the revenue and expenses of GBI from the date of acquisition through June 30, 2008 in our unaudited condensed consolidated financial statements. As a result we have not presented a year over year comparison of the operating results of GBI. We expect the amounts recognized in the three and six-months ended June 30, 2009 to be indicative of future operating expenses.

The amounts consolidated from the activities of GBI are as follows:

	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009	June 2, 2008 to June 30, 2008
Brokerage services			
Direct costs	\$ 1,979,141	\$ 3,711,188	\$ 404,497
Consulting	-	-	18,705
Professional fees	17,840	27,110	8,853
Executive compensation	51,071	110,696	102,669
General expenses	378,330	643,602	261,834
Depreciation	4,176	8,165	2,677
Operating expenses	\$ 2,430,558	\$ 4,500,761	\$ 799,235

Other income and (expense)

	Three Months Ended June 30, 2009			Six Months Ended June 30, 2009		
	2009	2008	% Change	2009	2008	% Change
Consolidated						
Interest income	\$ 2,052	\$ 15,540	(87%)	\$ 9,145	\$ 28,735	(68%)
Interest (expense)	(3,550)	(5,631)	(37%)	(7,672)	(11,061)	(31%)
Other income	1,546	42,841	(96%)	16,325	42,841	(62%)
Minority interest	-	19,763	-	-	(40,160)	-

We experienced an 87% and 68% decline in interest income as a direct result of our depletion of cash resources held in interest bearing money market accounts. In addition, we experienced declines in interest expense of 37% and 31% for the respective three and six-month periods ended June 30, 2009. We expect these amounts to continue to decline throughout the remainder of the fiscal year.

During the six months ended June 30, 2009, we recorded \$16,325 in other income attributable to sub-leased office space. Our utilization of additional office space has resulted in decreases in other income of 96% and 62%, respectively, for the three and six-month periods ended June 30, 2009. We anticipate full utilization of all available office space during the second half of fiscal 2009, which will result in continued decreases of other income.

Satisfaction of our cash obligations for the next 12 months.

Historically, our plan of operation has been stalled by a lack of adequate working capital. As of June 30, 2009 we had available cash of \$278,216. We believe these funds will help support existing operational costs, but will only be sufficient to satisfy our working capital requirements through December 31, 2009. Consequently, in addition to cash generated from operations, we will need to raise additional funds through either equity, including convertible securities such as preferred stock or debentures, or debt financing.

Summary of any product research and development that we will perform for the term of our plan of operation.

We do not anticipate performing any additional significant product research and development under our plan of operation with Dial-A-Cup, RFIS, RREM, GBI or in the financial services industry.

Expected purchase or sale of plant and significant equipment.

We do not anticipate the purchase or sale of any plant or significant equipment; as such items are not required by us at this time.

Significant changes in the number of employees.

We have experienced significant changes in our staffing and executive management team as a result of our business acquisitions. Historically we have relied on outside consultants to fulfill the needs of the Company while also relying heavily on our CEO, Joseph Mangiapane, Jr. whom we have a full time employment agreement with. As we have achieved milestones in our growth projections, it has become financially prudent to increase our internal staff to satisfy the operational needs of our business. Likewise, as we have been impacted by the overall economic recession we have also reduced staffing as appropriate. In addition to our current executives, we also employ one full-time support person, to assist in the operational activities.

At our subsidiary levels, we have increased our number of employees to a level which satisfies our current requirements in an economically sensible manner. As the economic conditions improve, we anticipate an increase in our staffing levels as a measure to ensure continued growth. Currently, we employ two executives and seven administrative staff within GBI. RFIS is staffed with one executive, seven agents and three administrative support persons. Due to the dramatic downturn in the real estate markets, RREM is currently staffed with a single executive who also acts as our broker of record.

Liquidity and Capital Resources

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate generating sufficient positive internal operating cash flow until such time as we can generate substantial additional revenues, which may take the next few years to fully realize. In the event we cannot obtain the necessary capital to pursue our strategic plan, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations.

The following table summarizes our current assets, liabilities and working capital at June 30, 2009 compared to December 31, 2008.

	June 30, 2009	December 31, 2008	Increase / (Decrease)	
			\$	%
Current Assets	\$ 1,786,806	\$ 1,596,550	\$ 190,256	12%
Current Liabilities	1,623,194	1,476,862	146,332	10%
Working Capital	\$ 163,612	\$ 119,688	\$ 43,924	37%

Prior to our transition into the financial services industry, the inventor of Dial-A-Cup's product primarily funded our operations. As of December 31, 2008 total amounts owed in principal and interest to this individual was \$221,512, which was forgiven effective December 31, 2008. The proceeds loaned were used to fund operations and for the development of a prototype of our beverage dispenser. As we expand our activities, we may continue to experience net negative cash flows from operations, pending receipt of additional revenues.

We believe the \$278,216 in unrestricted cash on hand at June 30, 2009 will only be sufficient to sustain operations through the balance of fiscal 2009. As a result, we anticipate the need to seek additional funding for operations through equity offerings and may need to further do so in the future through additional financing, acquisitions, joint ventures or other means available to us. There can be no assurance that we will be able to complete a transaction or complete a transaction on terms favorable to our stockholders or us.

Our lack of operating history makes predictions of future operating results difficult to ascertain. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

Revenue Recognition: We recognize revenue from product sales once all of the following criteria for revenue recognition have been met: pervasive evidence that an agreement exists; the services have been rendered; the fee is fixed and determinable and not subject to refund or adjustment; and collection of the amount due is reasonably assured. We will primarily derive our revenues from anticipated financial service related fees, such as commissions.

RFIS currently earns commissions paid by insurance companies which are based on a percentage of the premium charged to the policyholder and considered earned over the term of the policy. Deferred commissions are related to the unexpired terms of the policies in force. The Company recognizes revenue net of expected cancellations in accordance with Staff Accounting Bulletin ("SAB") 13A.

Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of Rubicon as a going concern. Rubicon's cash position is currently inadequate to pay all of the costs associated with its operations. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should Rubicon be unable to continue existence.

Recent Accounting Developments

In March 2008, the Financial Accounting Standards Board, or FASB, issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133. This standard requires companies to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. Rubicon has not yet adopted the provisions of SFAS No. 161, but does not expect it to have a material impact on its consolidated financial position, results of operations or cash flows.

In May 2008, FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". SFAS No. 162 sets forth the level of authority to a given accounting pronouncement or document by category. Where there might be conflicting guidance between two categories, the more authoritative category will prevail. SFAS No. 162 will become effective 60 days after the SEC approves the PCAOB's amendments to AU Section 411 of the AICPA Professional Standards. SFAS No. 162 has no effect on Rubicon's financial position, statements of operations, or cash flows at this time.

In May 2008, FASB issued SFAS No. 163, "Accounting for Financial Guarantee Insurance Contracts-and interpretation of FASB Statement No. 60". SFAS No. 163 clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement of premium revenue and claims liabilities. This statement also requires expanded disclosures about financial guarantee insurance contracts. SFAS No. 163 is effective for fiscal years beginning on or after December 15, 2008, and interim periods within those years. SFAS No. 163 has no effect on Rubicon's financial position, statements of operations, or cash flows at this time.

In June 2009, the FASB issued SFAS No. 168 ("FAS 168"), "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162". The FASB Accounting Standards Codification™ (Codification) will become the source of authoritative U.S. generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this Statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. As prescribe by the FASB we anticipate adopting FAS 168, for all interim and annual periods ending after September 15, 2009.

In June 2009, the FASB issued SFAS No. 167 ("FAS 167"), "Amendments to FASB Interpretation No. 46(R)". The Board's objective in issuing this Statement is to improve financial reporting by enterprises involved with variable interest entities. The Board undertook this project to address (1) the effects on certain provisions of FASB Interpretation No. 46 (revised December 2003), Consolidation of Variable Interest Entities, as a result of the elimination of the qualifying special-purpose entity concept in FASB Statement No. 166, Accounting for Transfers of Financial Assets, and (2) constituent concerns about the application of certain key provisions of Interpretation 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. This Statement shall be effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. As prescribe by the FASB we anticipate adopting FAS 167, for all interim and annual reports subsequent to November 15, 2009.

In June 2009, the FASB issued SFAS No. 166 ("FAS 166"), "Accounting for Transfers of Financial Assets - an amendment to FASB Statement No. 140". FASB's objective in issuing this Statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. The Board undertook this project to address (1) practices that have developed since the issuance of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, that are not consistent with the original intent and key requirements of that Statement and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. As prescribe by the FASB we apply the guidance of FAS 166, where applicable effective after our first annual reporting period that begins after November 15, 2009, and to interim periods within that first annual reporting period and for interim and annual reporting periods thereafter.

In May 2009, the FASB issued SFAS No. 165 ("FAS 165") "Subsequent Events". The objective of this Statement is to establish general standards of accounting for and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In particular, this Statement sets forth: 1) The period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, 2) The circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, 3) The disclosures that an entity should make about events or transactions that occurred after the balance sheet date. We have adopted FAS 165 as of June 15, 2009.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not applicable.

Item 4T. Controls and Procedures.

Our Chief Executive Officer and Principal Financial Officer, Joseph Mangiapane, Jr., evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Report. Based on the evaluation, Mr. Mangiapane concluded that our disclosure controls and procedures are effective in timely altering him to material information relating to us (including our consolidated subsidiaries) required to be included in our periodic SEC filings.

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II--OTHER INFORMATION

Item 1. Legal Proceedings.

We may, from time to time, be named as defendants in various judicial, regulatory, and arbitration proceedings in the future in the ordinary course of our business. The nature of such proceedings may involve large claims subjecting us to exposure. In addition, claims may be made against our broker-dealer subsidiary relating to investment banking underwritings, which may be brought as part of a class action, or may be routine retail customer complaints regarding losses in individual accounts, which are ordinarily subject to FINRA arbitration proceedings. Our broker-dealer subsidiary may also become subject to investigations or proceedings by governmental agencies and self-regulatory organizations, which can result in fines or other disciplinary action being imposed on the broker-dealer and/or individuals. Additionally, legal proceedings may be brought against us from time to time in the future. In view of the inherent difficulty of predicting the outcome of legal proceedings, particularly where the plaintiffs seek substantial or indeterminate damages or where novel legal theories or a large number of parties are involved, we cannot state with confidence what the eventual outcome of currently pending matters will be, what the timing of the ultimate resolution of these matters will be or what the eventual result in each pending matter will be.

Rubicon Financial Incorporated v. Grant Bettingen

In July of 2009, the Company filed its first amended complaint in the Superior Court of the State of California, for the County of Orange – Central Justice Center (Case Number 30-2009-00124138-CU-BC-CJC), against Grant Bettingen and Grant Bettingen, as Trustee of the 1999 Bettingen Trust U/D/T October 8, 1999, seeking damages for:

1. Breach of Contract;
2. Fraud;
3. Declaratory Relief;
4. Breach of Covenant of Good Faith and Fair Dealing; and
5. Unjust Enrichment.

These claims arise from the June 2008 merger between the Company and Grant Bettingen, Inc. On or about August 10, 2009, the Company was served with a suit from M. Grant Bettingen, the Bettingen 1999 Trust and Christi Bettingen stemming from the same transaction. The Company has filed a motion to consolidate the cases, under which it is anticipated that the Company will be the plaintiff, which is currently pending in the Superior Court.

Item 1A. Risk Factors.

Our significant business risks are described in Item 1A to Form 10-K for the year ended December 31, 2008 to which reference is made herein.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On July 15, 2009, we issued 2,500 shares of our restricted common stock to each of the members of our Board of Director's (7,500 shares in total) for their services. We believe that the issuance of the shares was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the three or six months ended June 30, 2009.

Item 3. Defaults Upon Senior Securities.

None.

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

We did not submit any matters to a vote of our security holders during the quarter ended June 30, 2009; however, from June 16, 2009 through June 17, 2009, stockholders holding approximately 57.69% of our outstanding common stock executed written consents in lieu of an annual meeting to elect Joseph Mangiapane, Jr. as our sole board member; thereby effectively removing Suzanne Herring and Todd Vande Hei as members of our board of directors, and ratifying the appointment of Weaver & Martin, LLC as our independent public accountant for the year ending December 31, 2009.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit	Exhibit Description	Filed herewith	Incorporated by reference			Filing date
			Form	Period ending	Exhibit	
2.1	Merger Agreement among Rubicon Financial Incorporated, RFI Sub, Inc. and Grant Bettingen, Inc.		8-K		2.7	07/05/07
2.1(b)	Amendment No. 1 to the Merger Agreement among Rubicon Financial Incorporated, RFI Sub, Inc. and Grant Bettingen, Inc.		8-K		2.7(b)	09/14/07
2.1(c)	Amendment No.2 to the Merger Agreement among Rubicon Financial Incorporated, RFI Sub, Inc. and Grant Bettingen, Inc., dated January 23, 2007		8-K		2.7(c)	01/24/08
2.1(d)	Amendment No. 3 to the Merger Agreement among Rubicon Financial Incorporated, RFI Sub, Inc. and Grant Bettingen, Inc., dated March 18, 2008				2.7(d)	03/21/08
2.2	Separation and Distribution Agreement by and between Rubicon Financial Incorporated		8-K		2.8	08/06/07

and Dial-A-Cup, Inc.

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3.1(i)(a)	Articles of Incorporation	10-KSB	12/31/05	3.1(i)(a)	04/05/06
3.1(i)(b)	Certificate of Correction of Articles of Incorporation	10-KSB	12/31/05	3.1(i)(b)	04/05/06
3.1(i)(c)	Amendment to Articles of Incorporation	10-KSB	12/31/05	3.1(i)(c)	04/05/06
3.1(i)(d)	Amendment to Certificate of Incorporation changing name from ISSG, Inc. to Rubicon Financial Incorporated	8-K		3.1(i)(d)	09/08/06
3.1(i)(g)	Amendment to Certificate of Incorporation authorizing "blank check" Preferred Stock	8-K		3.1(i)(g)	08/01/07
3.1(ii)	Bylaws	10-KSB	12/31/05	3.1(ii)	04/05/06
4.1	Amended and Restated Certificate of Designation of 8% Series A Convertible Preferred Stock	10-Q	09/30/08	4.1	11/19/08
10.1	Stock Purchase and Settlement Agreement with AIS Financial Inc. and Marc Riviello dated June 2, 2008	8-K		10.18	06/06/08
10.2	Interim COO agreement with Bootstrap Real Estate Investments, LLC dated February 5, 2009.	8-K		10.1	03/04/09
31.1	Certification of Joseph Mangiapane, Jr., Chief Executive Officer and Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act				X
32.1	Certification of Joseph Mangiapane, Jr., Chief Executive Officer and Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act				X

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RUBICON FINANCIAL INCORPORATED
(Registrant)

By: /s/ Joseph Mangiapane, Jr.

Joseph Mangiapane, Jr., Chief Executive Officer
(On behalf of the Registrant and as Principal Financial Officer)

Date: August 19, 2009

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