

MIRENCO INC
Form 10QSB
November 14, 2007

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended **September 30, 2007**

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

For the transition period from _____ to _____

Commission file number **333-41092**

Mirenc, Inc.

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

Iowa

(State or other jurisdiction of incorporation or
organization)

39-1878581

(IRS Employer Identification No.)

206 May Street, P.O. Box 343, Radcliffe, Iowa 50230

(Address of principal executive offices)

(515) 899-2164

(Issuer's telephone number)

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

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

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [] No [] **Not applicable**

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: **26,107,858 shares of no par value common stock as of November 14, 2007.**

Transitional Small Business Disclosure Format (Check one): Yes [] No []

Cautionary Statement on Forward-Looking Statements.

The discussion in this Report on Form 10-QSB, including the discussion in Item 2 of PART I, contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, estimates and projections about the Company's business, based on management's current beliefs and assumptions made by management. Words such as "expects", "anticipates", "intends", "believes", "plans", "seeks", "estimates", and similar expressions or variations of these words are intended to identify such forward-looking statements. Additionally, statements that refer to the Company's estimated or anticipated future results, sales or marketing strategies, new product development or performance or other non-historical facts are forward-looking and reflect the Company's current perspective based on existing information. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results and outcomes may differ materially from what is expressed or forecasted in any such forward-looking statements. Such risks, and uncertainties include those set forth below in Item 1 as well as previous public filings with the Securities and Exchange Commission. The discussion of the Company's financial condition and results of operations included in Item 2 of PART I should also be read in conjunction with the financial statements and related notes included in Item 1 of PART I of this quarterly report. These quarterly financial statements do not include all disclosures provided in the annual financial statements and should be read in conjunction with the annual financial statements and notes thereto included in the Company's Form 10KSB for the year ended December 31, 2006 filed on April 25, 2007. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I Financial Information**Item 1. Financial Statements**

MIRENCO, Inc.
BALANCE SHEET
(unaudited)
September 30, 2007

| | |
|---|------------|
| ASSETS | |
| CURRENT ASSETS | |
| Cash and cash equivalents | \$ 16,428 |
| Accounts receivable | 56,296 |
| Inventories | 108,935 |
| Prepaid expenses | 5,943 |
| Total current assets | 187,602 |
| PROPERTY AND EQUIPMENT, net | 472,329 |
| PATENTS AND TRADEMARKS, net | 14,418 |
| | \$ 674,349 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | |
| CURRENT LIABILITIES | |
| Current portion of note payable | \$ 9,812 |
| Current portion of capital lease | 3,134 |
| Accounts payable | 217,755 |
| Accrued expenses | 64,276 |
| Due to officers | 183,603 |
| Other current liabilities | 12,000 |
| Dividends on preferred redeemable shares | 896 |
| Notes payable to related parties | 35,448 |
| Total current liabilities | 526,924 |
| LONG TERM LIABILITIES | |
| Notes payable, less current portion | 88,180 |
| Notes payable, to related parties, less current portion | 38,828 |
| Capital lease, less current portion | - |
| Shares subject to mandatory redemption | 18,256 |
| Total long term liabilities | 145,264 |

STOCKHOLDERS' EQUITY

| | |
|--|--------------|
| Preferred stock, \$.01 par value, 50,000,000 shares authorized no shares issued or outstanding | - |
| Common stock, no par value: 100,000,000 shares authorized, 26,469,858 shares issued and outstanding | 10,150,781 |
| Additional paid-in capital | 1,714,954 |
| Accumulated (deficit) | (11,863,574) |
| | 2,161 |
| | \$ 674,349 |

See the accompanying notes to the financial statements.

MIRENCO, Inc.
STATEMENTS OF OPERATIONS

(unaudited)

| | Nine Months Ended September 30, 2007 | Nine Months Ended September 30, 2006 |
|--|--|--|
|--|--|--|

| | | |
|---|--------------|--------------|
| Sales | \$ 472,674 | \$ 449,464 |
| Cost of sales | 286,354 | 304,106 |
| Gross profit | 186,320 | 145,358 |
| Salaries and wages | 333,364 | 424,882 |
| Other general and administrative expenses | 213,659 | 213,403 |
| | 547,023 | 638,285 |
| (Loss) from operations | (360,703) | (492,927) |
| Other income (expense) | | |
| Interest income | 0 | 3 |
| Interest expense | (15,726) | (16,458) |
| | (15,726) | (16,455) |
| | \$ (376,429) | \$ (509,382) |

Net (loss) per share available for common

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| | | | | |
|--|----|------------|----|------------|
| shareholders - basic and diluted | \$ | (0.02) | \$ | (0.03) |
| Weighted-average shares outstanding - basic and diluted | | 24,718,575 | | 19,795,316 |

See the accompanying notes to the financial statements.

MIRENCO, Inc.
STATEMENTS OF OPERATIONS
(unaudited)

| | Three Months Ended September 30, 2007 | Three Months Ended September 30, 2006 |
|---|---|---|
| Sales | \$ 163,594 | \$ 141,571 |
| Cost of sales | 87,477 | 91,702 |
| Gross profit | 76,117 | 49,869 |
| Salaries and wages | 106,968 | 155,117 |
| Other general and administrative expenses | 52,741 | 60,872 |
| | 159,709 | 215,989 |
| (Loss) from operations | (83,592) | (166,120) |
| Other income (expense) | | |
| Interest income | 0 | 1 |
| Interest expense | (5,827) | (5,470) |
| | (5,827) | (5,469) |
| | \$ (89,419) | \$ (171,589) |
| Net (loss) per share available for common shareholders - basic and diluted | \$ (0.003) | \$ (0.01) |
| Weighted-average shares outstanding - basic and diluted | 25,860,277 | 21,225,151 |

See the accompanying notes to the financial statements.

MIRENCO, Inc.
STATEMENTS OF CASH FLOWS
(unaudited)

| | Nine Months Ended September 30, 2007 | Nine Months Ended September 30, 2006 |
|--|--|--|
| Cash flows from operating activities | | |
| Net cash (used in) operating activities | \$ (296,335) | \$ (424,201) |
| Cash flows from investing activities | | |
| Net cash (used in) investing activities | (7,803) | (50) |
| Cash flows from financing activities | | |
| Proceeds from issuance of stock | 280,080 | 449,775 |
| Shares subject to mandatory redemption | 9,356 | - |
| Principal payments on long-term debt: | | |
| Banks and others | (9,689) | (16,696) |
| Related parties | 21,150 | (3,601) |
| Net cash provided by financing activities | 300,897 | 429,478 |
| Increase (Decrease) in cash and cash equivalents | (3,241) | 5,227 |
| Cash and cash equivalents, beginning of period | 19,669 | 4,984 |
| Cash and cash equivalents, end of period | \$ 16,428 | \$ 10,211 |

See the accompanying notes to the financial statements.

MIRENCO, Inc.

NOTES TO FINANCIAL STATEMENTS

(unaudited)

September 30, 2007

NOTE A BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information and Item 310(b) of Regulation S-B. They do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included.

The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. For further information, refer to the financial statements of the Company as of December 31, 2006, and for the two years then ended, including notes thereto included in the Company's Form 10-KSB.

NOTE B INVENTORY

Inventories, consisting of purchased finished goods ready for sale, are stated at the lower of cost (as determined by the first-in, first-out method) or market.

NOTE C - REALIZATION OF ASSETS

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. Net loss for the nine months ended September 30, 2007 was (\$376,429). The Company has incurred net losses aggregating \$11,863,574 from inception, and may continue to incur net losses in the future. In addition, the Company had a working capital deficiency of (\$339,322) as of September 30, 2007. If revenues do not increase substantially in the near future, additional sources of funds will be needed to maintain operations. These matters give rise to

substantial doubt about the Company's ability to continue as a going concern.

Management and other personnel have been focused on product exposure and marketing. The Company's management team has diligently explored several market segments relative to the Company's product and service lines over the past 24 months. From that exploration, the Company has decided it is in its best interests to market other products that are related to the DriverMax® product line. In that respect, the Company has become an authorized reseller for Network Car, Inc. to market its Networkfleet product which is a vehicle tracking and diagnostic reporting product that focuses on productivity and fuel efficiency. Management also believes a large market exists for the Company's testing and evaluation services and the information resulting from those services. By concentrating the sales efforts within its own reasonable geographical area, management believes it can better provide a professional, consultative approach toward customers needs and prove the value of its products and services. Management will focus on the Company's efforts on the sales of products, services, and programs with sensible controls over expenses. Management believes these steps, if successful, will improve the Company's liquidity and operating results, allowing it to continue in existence.

The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

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MIRENCO, Inc.

NOTES TO FINANCIAL STATEMENTS Continued

(unaudited)

September 30, 2007

NOTE D – STOCKHOLDERS EQUITY

During the nine months ended September 30, 2007, the Company issued 3,687,300 shares of common stock of which 3,299,800 were issued for cash of \$280,080, 362,500 were issued for debt due to an officer in the amount of \$35,000, and 25,000 were issued upon the conversion of 5,000 shares of the Company's convertible, redeemable preferred stock.

During the nine months ended September 30, 2007, the Company issued 5,000 options to directors to purchase common stock at \$.25 per share. The options are exercisable at this price until January 31, 2014. In addition, 50,000 options to purchase common stock at \$.25 per share were issued to an employee, also exercisable through January 31, 2014. Of these options issued to the employee, 10,000 options are fully vested as of the grant date, February 16, 2007, 20,000 options will vest January 1, 2008, and the remaining 20,000 options will vest January 1, 2009. In addition, 12,000 options to purchase common stock at \$.125 per share was issued to an employee, also exercisable through January 31, 2014. There was no material charge to operations during the period ended September 30, 2007, related to these options.

The following summarizes the options outstanding at September 30, 2007:

| | Number of shares | | Weighted- average exercise price |
|--------------------------------|------------------|-------------|---|
| | Outstanding | Exercisable | per share |
| Outstanding, December 31, 2006 | 2,274,210 | 2,274,210 | \$ 1.15 |
| Granted | 67,000 | 27,000 | 0.15 |

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| | | | | |
|--------------------------------|-----------|-----------|----|------|
| Exercised | (12,000) | (12,000) | | 0.13 |
| Outstanding September 30, 2007 | 2,329,210 | 2,289,210 | \$ | 1.14 |

The following table summarizes information about options outstanding at September 30, 2007 under the Compensatory Stock Option Plan:

2007 Compensatory Stock Options and Warrants

| Range of exercise prices | Options outstanding | | | Options exercisable | |
|--------------------------|---------------------|---|---------------------------------|---------------------|---------------------------------|
| | Number outstanding | Weighted-average remaining contractual life | Weighted-average exercise price | Number exercisable | Weighted-average exercise price |
| \$0.12-\$5.00 | 2,329,210 | 6.21 | \$ 1.14 | 2,329,210 | \$ 1.14 |

NOTE E NOTES PAYABLE

Notes payable consisted of the following at September 30, 2007:

| | Total | Current Portion | Long-term Portion |
|---|------------|--------------------|----------------------|
| Note payable to bank in monthly installments of \$1,731, including principal and variable interest, currently 11.00%, guaranteed by stockholder, guaranteed by Small Business Administration | \$ 97,992 | \$ 9,812 | \$ 88,180 |
| Capital lease payable to leasing company in monthly installments of \$376, including principal and interest of 20.625%, maturing in July, 2008 | 3,134 | 3,134 | - |
| | \$ 101,126 | \$ 12,946 | \$ 88,180 |

NOTE F NOTES PAYABLE TO RELATED PARTIES

Notes payable to related parties consisted of the following at September 30, 2007:

| | Total | Current Portion | Long-term Portion |
|--|-----------|--------------------|----------------------|
| Notes payable to investors, 9% interest payable quarterly, principal due in December, 2007 | \$ 30,000 | \$ 30,000 | \$ - |
| Note payable to related Company in monthly | | | |

| | | | |
|---|-----------|-----------|-----------|
| installments of \$689, including principal and interest of 6.75% maturing May, 2009 | 44,276 | 5,448 | 38,828 |
| | \$ 74,276 | \$ 35,448 | \$ 38,828 |

NOTE G MAJOR CUSTOMERS

In the first nine months of 2007, four major customers accounted for 76% of total sales. At September 30, 2007, these customers account for 25% of accounts receivable.

NOTE H EARNINGS (LOSS) PER SHARE

The Company calculates net income (loss) per share as required by Statement of Financial Accounting Standards (SFAS) 128, "Earnings per Share." Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares and dilutive common stock equivalents outstanding. During periods in which the Company incurs losses, common stock equivalents, if any, are not considered, as their effect would be anti dilutive.

NOTE I REDEEMABLE, CONVERTIBLE PREFERRED STOCK

In December 2006, Mirencos offered a minimum \$3,000 investment for 25,000 shares of its common stock at \$0.12 per share, plus 500 shares of convertible, redeemable preferred stock valued by the Company at \$1 per share. In connection with this offering, 23,256 shares of the convertible, redeemable preferred stock were issued, of which 5,000 were converted to 25,000 shares of common stock during the period ended September 30, 2007. Each preferred share is convertible at the holder's option, to five shares of the Company's common stock, and carries a cumulative 6% dividend rate through December 31, 2011. The preferred shares may be redeemed by the Company any time after December 31, 2009, and must be fully redeemed on December 31, 2011, together with all cumulative dividends in arrears. Accordingly, the preferred shares are presented as shares subject to mandatory redemption in the accompanying financial statements.

NOTE J SUBSEQUENT EVENTS

During October and November, 2007, 150,000 shares of common stock were issued for cash of \$12,000.

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Item 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

General and Background

We have incurred annual losses since inception while developing and introducing our original products and focusing management and other resources on capitalizing the Company to support future growth. Relatively high management, personnel, consulting and marketing expenditures were incurred in prior years in preparation for the commercialization of our products. We expect distribution and selling expenses to increase directly with sales increases, however, as a percentage of sales, these expenses should decline. It is anticipated that general and administrative expenses should remain stable and decline significantly as a percentage of sales.

Liquidity and Capital Resources

Cash and equivalents and accounts receivable are currently the Company's substantial source of liquidity. The changes in Cash and Equivalents for the nine months ended September 30, 2007 and 2006 can be reviewed in the Statements of Cash Flows in PART I Item 1 above.

According to the terms of our purchase agreement with American Technologies to acquire the patents and trademarks, we have incurred a 3% royalty of annual gross sales for a period of 20 years, which began November 1, 1999.

Results of Operations

Gross sales of \$472,674, including \$112,876 in product sales and \$359,798 in sales of services, were realized for the nine months ended September 30, 2007 and were \$23,210 more than sales for the same period one year ago. Cost of sales for the nine months ended September 30, 2007 was \$286,354 resulting in gross margin of \$186,320, a net increase of \$40,962 as a result of increased sales over the same period in the prior year. In the nine months ended September 2007, \$232,268 of employment costs were included in Cost of Sales compared to \$248,035 in the corresponding period in the prior year. Salary expense for the nine months ended September 30, 2007 was \$333,364 compared to \$424,882 in the corresponding period in the prior year. After accounting for the employment costs included in cost of sales, salaries decreased \$107,285.

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Gross sales of \$163,594, including \$33,716 in product sales and \$129,878 in sales of services, were realized for the three months ended September 30, 2007 and were \$22,023 more than sales for the same period one year ago. Cost of sales for the three months ended September 30, 2007 was \$87,477 resulting in gross margin of \$76,117, a net increase of \$26,248, as a result of increased sales over the same period in the prior year. In the three months ended September 2007, \$50,924 of employment costs were included in Cost of Sales compared to \$49,510 in the corresponding period in the prior year. Salary expense for the three months ended September 30, 2007 was \$106,968 compared to \$155,118 in the corresponding period in the prior year. After accounting for the employment costs included in cost of sales, salaries decreased \$49,564.

A total of 14 full-time individuals were employed with the Company at September 30, 2007 compared to a total of 17 full time employees at September 30, 2006.

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A comparative breakdown of Other general and administrative expenses per the Statements of Operations included in PART I Item 1 above is as follows:

| | Nine Months Ended September 30, 2007 | Nine Months Ended September 30, 2006 |
|---|---|---|
| Royalty | \$ 14,180 | \$ 13,442 |
| Advertising | 529 | 4,550 |
| Depreciation and amortization | 25,526 | 32,580 |
| Insurance | 39,776 | 45,578 |
| Professional fees | 54,901 | 24,423 |
| Office expenses | 36,028 | 33,828 |
| Travel | 7,992 | 26,832 |
| Utilities | 34,727 | 32,170 |
| Total general and administrative expenses | \$ 213,659 | \$ 213,403 |

1.

Royalty expense is proportional to sales and is based on sales of products, services and rights related to patents according to the contractual agreement.

2.

Advertising expense for the nine months ended September 30, 2007 decreased \$4,021 over the same period in the prior year because of decreased recruiting activities.

3.

Depreciation and amortization expense decreased \$7,054 from the corresponding period in the prior year because of computer and other equipment becoming fully depreciated in the prior period.

4.

Insurance expense for the nine months ended September 30, 2007 decreased \$5,802 from the corresponding period in the prior year because of a thorough examination of current coverage and obtaining a more competitive bid.

5.

Professional fees expense increased \$30,478 because of increased expenses related to patents and consulting fees.

6.

Office expense for the nine months ended September 30, 2007 increased \$2,200 from the corresponding period in the prior year.

7.

Travel expense for the first nine months of 2007 decreased \$18,840 due to decreased travel to mining customers.

9.

Utilities expense for the first nine months of 2007 decreased \$2,557 from the first nine months of 2006 due to reduced telephone expenses.

Interest expense for the nine months ended September 30, 2007 and 2006 is a result of obtaining investor loans and bank loans in 2005 and 2004.

The Company uses estimates in the preparation of its financial statements. The estimates used relate to valuation of receivables and the useful lives of its equipment and patents. Since the Company's receivables consist of larger individual accounts, the Company elects to use the direct write off method for those accounts that are deemed to be uncollectible. The Company believes there is no material difference in this method from the allowance method. There have been no accounts written off in 2007. If it is determined that potential losses of a material amount in receivables, the allowance for doubtful accounts method will be adopted. No such allowance is considered to be required at this time. If it were determined that the depreciated cost of its equipment and the amortized cost of its patents exceeded their fair market value, there would be a negative impact on the results of operations to the extent the depreciated and amortized cost of these assets exceeded their fair market value.

The carrying value of long-lived assets is reviewed on a regular basis for the existence of facts and circumstances that suggest impairment. During the first nine months of 2007, no material impairment has been indicated. Should there be an impairment in the

future, the Company will measure the amount of the impairment based on the amount that the carrying value of the impaired assets exceed the undiscounted cash flows expected to result from the use and eventual disposal of the impaired assets.

The Company accounts for equity instruments issued to employees for services based on the fair value of the equity instruments issued and accounts for equity instruments issued to other than employees based on the fair value of the consideration received or the fair value of the equity instruments whichever is more reliably measurable.

The Company accounts for stock based compensation in accordance with SFAS 123 (R), Share-Based Payment . In December 2004, the FASB issued SFAS 123(R), amends SFAS 123, Accounting for Stock-Based Compensation, and APB Opinion 25, Accounting for Stock Issued to Employees. SFAS 123(R) requires that the cost of share-based payment transactions (including those with employees and non-employees) be recognized in the financial statements. SFAS 123(R) applies to all share-based payment transactions in which an entity acquires goods or services by issuing (or offering to issue) its shares, share options, or other equity instruments (except for those held by an ESOP) or by incurring liabilities (1) in amounts based (even in part) on the price of the entity s shares or other equity instruments, or (2) that require (or may require) settlement by the issuance of an entity s shares or other equity instruments. This statement is effective (1) for public companies qualifying as SEC small business issuers, as of the first interim period or fiscal year beginning after December 15, 2005, or (2) for all other public companies, as of the first interim period or fiscal year beginning after June 15, 2005, or (3) for all nonpublic entities, as of the first fiscal year beginning after December 15, 2005.

The Company outsources the production of its DriverMax® products to ICE Corporation of Manhattan, Kansas. If, for some reason the relationship between the Company and ICE Corporation should be interrupted or discontinued, the operations of the Company could be adversely affected until such time an alternative supply source could be located, contracted and begin producing our technology. Such an event could materially effect the results of operations of the Company. The Company continues to review its relationship with this single source and believes there is no need for an alternative source at this time. As sales of product grow the Company will continue to review alternative sources.

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Item 3.

CONTROLS AND PROCEDURES

An evaluation of the Company's disclosure controls and procedures and internal controls and procedures was performed on June 26, 2007. Based on that review, management concludes that the Company's disclosure controls and procedures adequately ensure that information required to be disclosed by the Company in the reports that it files or submits under the Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the evaluation date. There have been no corrective actions with regard to significant deficiencies and material weaknesses since the evaluation date.

PART II. OTHER INFORMATION

Item 1.

Legal Proceedings

None

Item 2.

Changes in Securities

During the nine months ended September 30, 2007, 3,687,300 shares of common stock were issued. 3,299,800 were issued for cash, 362,500 were issued for debt due to an officer and 25,000 were issued upon the conversion of 5,000 shares of the Company's convertible, redeemable preferred stock. Changes in shares outstanding during the first nine months are summarized as follows:

| | Shares Issued | Amount |
|---|---------------|---------------|
| Shares outstanding January 1, 2007 | 22,782,558 | \$ 9,830,701 |
| New shares issued for cash | 3,299,800 | 280,080 |
| Shares issued upon conversion of 5,000 shares of Convertible, redeemable preferred stock | 25,000 | 5,000 |
| Shares issued to officer | 362,500 | 35,000 |
| Shares outstanding September 30, 2007 | 23,469,858 | \$ 10,150,781 |

Item 3.

Defaults upon Senior Securities

None

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

None

Item 5. Other Information

None

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

The following are the exhibits to this report.

3.2(a)

Articles of Amendment to Articles of Incorporation (Incorporated by reference to the Company's 10QSB for the quarter ended June 30, 2004 filed on August 10, 2004).

3.2(b)

Certificate of Incorporation and Certificates of Amendment to the Certification of Incorporation of Registrant (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

3.3

Bylaws of Registrant (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.2(d)

Stock Option Agreement between Registrant and Betty Fosseen (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.2(f)

Stock Option Agreement between Registrant and J. Richard Relick (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.4

Purchase Agreement Between Registrant and American Technologies, LLC (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.5

Environmental Regulatory Approvals with the U.S. Environmental Protection Agency and California Air Resources Board (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.6

Summary of Patents and Associated Service Marks (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.7

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Copies of U.S. and Canadian Patents Issued to Dwayne L. Fosseen (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.8

Summary of Mexican Patents and Associated Protections Issued to Dwayne L. Fosseen (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.9

Rental Agreement Between Registrant and Fosseen Manufacturing & Development, Inc (incorporated by reference to the Company's Registration Statement filed on July 10, 2000).

10.13(a)

Stock Option Agreement between Registrant and Betty Fosseen (incorporated by reference to the Company's Registration Statement Amendment filed on April 17, 2001).

10.14

2001 Common Stock Compensation Plan (incorporated by reference to the Company's 10KSB for the fiscal year ended December 31, 2001).

10.29

Employment Agreement with Richard A. Musal. (Incorporated by reference to the Company's 10QSB filed November 19, 2004)

10.30 2004 Common Stock Compensation Plan (Incorporated by reference to the Company's 10KSB filed April 15, 2005)

10.31 Company's Code of Ethics . (Incorporated by reference to the Company's 10QSB filed May 13, 2005)

Reseller agreement with Network Car, Inc. dated April 12, 2006. (incorporated by reference to the Company's 10QSB filed May 22, 2006.).

10.35

Letter of Agreement between Mirencos, Inc. and KARMA Enterprises group.

*10.36 Distributor Agreement between Mirencos, Inc. and Whayne Supply.

*31.1

Certificate of Principal Executive Officer dated November 14, 2007.

*31.2

Certificate of Principal Financial Officer dated November 14, 2007.

*32.1

Dwayne Fosseens Certification dated November 14, 2007 pursuant to 18 U.S.C. SECTION 1350, as adopted pursuant to, SECTION 906 of the Sarbanes-Oxley Act of 2002.

*32.2

Glynis M. Hendrickson s Certification dated November 14, 2007 pursuant to 18 U.S.C. SECTION 1350, as adopted pursuant to SECTION 906 of the Sarbanes-Oxley Act of 2002.

Filed herewith

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Mirencos, Inc.
(Registrant)

By: /s/ Glynis M. Hendrickson

Glynis M. Hendrickson

Chief Financial Officer

Date: November 14, 2007

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Dwayne Fosseen

Dwayne Fosseen

Chairman of the Board,

Chief Executive Officer

and Director

Date: November 14, 2007

By: /s/ Don Williams

Don Williams

Director

Date: November 14, 2007

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION

I, Dwayne Fossean, Chief Executive Officer and President of Mirencos, Inc. (the Small business issuer) certify that:

1.

I have reviewed this report on Form 10-QSB of Small business issuer

2.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4.

The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

(a)

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)

Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c)

Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5.

The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: November 14, 2007

/s/ Dwayne Fosseen

Dwayne Fosseen,

President and Chief Executive Officer

CERTIFICATE OF PRINCIPAL FINANCIAL OFFICER

I, Glynis M. Hendrickson, Chief Financial Officer of Mirengo, Inc. (the Small business issuer) certify that:

1.

I have reviewed this report on Form 10-QSB of Small business issuer

2.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;

4.

The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) for the small business issuer and have:

(a)

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c)

Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5.

The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

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Date November 14, 2007

/s/ Glynis M. Hendrickson

Glynis M. Hendrickson,

Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Dwayne Fosseen, Chief Executive Officer of Mirencos, Inc. (the "Company"), pursuant to 18 U.S.C. section 1350, certify that, to my knowledge:

(1)

The Company's Quarterly Report on Form 10-QSB for the period ended September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Dwayne Fosseen

Dwayne Fosseen

Chief Executive Officer and President

November 14, 2007

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Glynis M. Hendrickson , Chief Financial Officer of Mirencos, Inc. (the Company), pursuant to 18 U.S.C. section 1350, certify that, to my knowledge:

(1)

The Company s Quarterly Report on Form 10-QSB for the period ended September 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the Report), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2)

The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Glynis M. Hendrickson

Glynis M. Hendrickson

Chief Financial Officer

November 14, 2007