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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES AND EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

MARATHON PATENT GROUP, INC.

(Exact Name of Registrant as Specified in Charter)

Nevada	333-171214	01-0949984
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2331 Mill Road, Suite 100, Alexandria, VA	22314
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (703) 232-1701

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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 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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. 5,333,822 shares of common stock are issued and outstanding as of August 14, 2013.

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OTHER PERTINENT INFORMATION

Unless specifically set forth to the contrary, “Marathon Patent Group, Inc.,” “we,” “us,” “our” and similar terms refer to Marathon Patent Group, Inc., a Nevada corporation, and subsidiaries.

Item 1. Financial Statements

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

	June 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash	$ 6,391,293	$ 2,354,169
Accounts receivable	250,000	$ -
Marketable securities - available for sale securities	6,250	12,500
Prepaid expenses	445,925	40,333
Assets of discontinued operations - current portion	-	82,145
Total current assets	7,093,468	2,489,147
Other assets:		
Property and equipment, net	8,889	-
Intangible assets, net	2,501,984	492,152
Goodwill	2,144,488	-
Assets of discontinued operations - long term portion	-	1,035,570
Total other assets	4,655,361	1,527,722
Total Assets	$ 11,748,829	$ 4,016,869
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 392,876	$ 57,158
Liabilities of discontinued operations	30,664	30,664
Total liabilities	423,540	87,822
Stockholders' Equity:		
Preferred stock, $.0001 par value, 50,000,000 shares authorized: none issued and outstanding	-	-
Common stock, ($.0001 par value; 200,000,000 shares authorized; 5,167,988 and 3,503,565 issued and outstanding at June 30, 2013 and December 31, 2012	517	352
Additional paid-in capital	19,794,687	10,976,325
Accumulated other comprehensive income - marketable securities available for sale	(6,250)	-
Deficits accumulated during the development stage	(8,453,169)	(7,037,134)
Total Marathon Patent Group, Inc. equity	11,335,785	3,939,543
Non-controlling interest in subsidiary	(10,496)	(10,496)
Total stockholders' equity	11,325,289	3,929,047
Total liabilities and stockholders' equity	$ 11,748,829	$ 4,016,869

See accompanying notes to unaudited consolidated financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS

	FOR THE THREE MONTHS ENDED JUNE 30, 2013 (Unaudited)	FOR THE THREE MONTHS ENDED JUNE 30, 2012 (Unaudited)	FOR THE SIX MONTHS ENDED JUNE 30, 2013 (Unaudited)	FOR THE SIX MONTHS ENDED JUNE 30, 2012 (Unaudited)	PERIOD FROM INCEPTION (APRIL 30, 2011) TO JUNE 30, 2013 (Unaudited)
Revenues	$ 1,524,979	$ -	$ 1,524,979	$ -	$ 1,524,979
Cost of revenues	760,305	-	760,305	-	760,305
Gross profit	764,674	-	764,674	-	764,674
Expenses					
Compensation and related taxes	1,041,353	81,449	1,468,028	922,392	4,144,490
Consulting fees	130,685	27,171	175,909	1,856,594	2,218,053
Professional fees	289,752	107,464	448,224	370,203	962,941
General and administrative	122,976	68,069	206,982	192,538	524,469
Total operating expenses	1,584,766	284,153	2,299,143	3,341,727	7,849,953
Operating loss from continuing operations	(820,092)	(284,153)	(1,534,469)	(3,341,727)	(7,085,279)
Other income (expenses)					
Other income	-	-	-	125,000	125,000
Realized loss other than temporary decline - available for sale	-	-	-	-	(112,500)
Interest expense	(229)	-	(459)	-	(612)
Interest income	349	173	640	173	1,618
Total other income	120	173	181	125,173	13,506
Loss from continuing operations before provision for income taxes	(819,972)	(283,980)	(1,534,288)	(3,216,554)	(7,071,773)
Provision for income taxes	-	-	-	-	-
Loss from continuing operations	(819,972)	(283,980)	(1,534,288)	(3,216,554)	(7,071,773)
Discontinued operations:					
Income (loss) from discontinued operations, net of tax	9,473	(1,302,620)	118,253	(1,329,925)	(1,391,892)
Net loss	(810,499)	(1,586,600)	(1,416,035)	(4,546,479)	(8,463,665)
Less: Net loss attributable to non-controlling interest	-	101	-	101	10,496
Net loss attributable to Marathon Patent Group, Inc.	$ (810,499)	$ (1,586,499)	$ (1,416,035)	$ (4,546,378)	$ (8,453,169)
Loss per common share, basic and diluted:					
Loss from continuing operations	$ (0.19)	$ (0.09)	$ (0.40)	$ (1.16)	$ (2.94)
Loss from discontinued operations	0.00	(0.41)	0.03	(0.48)	(0.58)
	(0.19)	(0.50)	$ (0.37)	(1.64)	$ (3.51)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING - Basic and Diluted	4,249,120	3,174,716	3,874,283	2,774,609	2,409,025

See accompanying notes to unaudited consolidated financial statements.

MARATHON PATENT GROUP, INC. AND SUBSIDIARIES
(FORMERLY AMERICAN STRATEGIC MINERALS CORPORATION)
(DEVELOPMENT STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE SIX MONTHS ENDED JUNE 30, 2013	FOR THE SIX MONTHS ENDED JUNE 30, 2012	PERIOD FROM INCEPTION (APRIL 30, 2011) TO JUNE 30, 2013
	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities:			
Net loss attributable to Marathon Patent Group, Inc.	$ (1,416,035)	$ (4,546,378)	$ (8,453,169)
Adjustments to reconcile net loss to net cash used in operating activities:			
Amortization expense	475,680	-	484,453
Amortization of prepaid expense in connection with the issuance of common stock issued for prepaid services	11,250	-	11,250
Depreciation expense	1,111	-	1,111
Stock based compensation on warrants granted	72,064	2,598,438	2,795,226
Stock based compensation on options granted	405,957	-	1,920,895
Common stock issued for services	564,250	75,000	762,537
Non-controlling interest	-	(101)	(10,496)
Non-cash revenue	(1,000,000)	-	(1,000,000)
Non-cash other income	-	(125,000)	(125,000)
Realized loss other than temporary decline - available for sale	-	-	112,500
Impairment of mineral rights	-	1,256,000	1,355,474
Impairment of assets of discontinued operations	-	30,248	30,248
Changes in operating assets and liabilities			
Accounts receivable	(250,000)	-	(250,000)
Assets of discontinued operations - current portion	82,145	20,000	20,000
Prepaid expenses	24,414	(71,600)	(32,519)
Deposits	-	-	(3,500)
Assets of discontinued operations - long term portion	-	3,915	3,915
Accounts payable and accrued expenses	335,718	103,703	392,877
Net cash used in operating activities	(693,446)	(655,775)	(1,984,198)
Cash flows from investing activities:			
Acquisition of mineral rights	-	(325,000)	(325,000)
Acquisition of patents	(350,000)	-	(850,000)
Note receivable - related party	-	(133,058)	(147,708)
Collection on note receivable - related party	-	-	147,708
Purchase of property and equipment	(10,000)	-	(10,000)
Sale of real estate property (discontinued operations)	1,052,320	-	1,628,797
Acquisition of real estate property	-	(254,016)	(1,366,627)
Acquisition of Cyberfone Systems, LLC (cash portion)	(500,000)	-	(500,000)
Capitalized cost related to improvements of real estate property (discontinued operations)	(16,750)	-	(262,170)
Net cash provided by (used in) investing activities	175,570	(712,074)	(1,685,000)
Cash flows from financing activities:			
Payment on note payable	-	(930,000)	(930,000)
Payment on note payable - related party	-	(152,974)	(152,974)
Payment on note payable in connection with the acquisition of Cyberfone Systems, LLC	(500,000)	-	(500,000)
Payment in connection with the cancellation of stock and rescission agreement	-	(132,000)	(132,000)
Proceeds from disgorgement of former officer short swing profits	-	-	50,000
Proceeds from advances payables	-	-	100,000
Proceeds from promissory note - related party	-	-	53,500
Proceeds from sale of common stock, net of issuance costs	5,055,000	5,768,965	11,571,965
Net cash provided by financing activities	4,555,000	4,553,991	10,060,491
Net increase in cash	4,037,124	3,186,142	6,391,293
Cash at beginning of period	2,354,169	129,152	-
Cash at end of period	$ 6,391,293	$ 3,315,294	$ 6,391,293

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for:			
Interest	$ 459	$ -	$ 612
Income taxes	$ -	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Issuance of a note payable to a related party in connection with the purchase of mining rights	$ -	$ -	$ 99,474
Issuance of common stock for advances payable	$ -	$ 100,000	$ 100,000
Assumption of prepaid assets upon exercise of option agreement	$ -	$ 43,157	$ 43,157
Assumption of accounts payable upon exercise of option agreement	$ -	$ 30,664	$ 30,664
Issuance of a note payable in connection with an option agreement	$ -	$ 930,000	$ 930,000
Issuance of common stock in connection with an option agreement	$ -	$ 5,000,000	$ 1,000
Common stock issued for acquisition of patents	$ -	$ -	$ 925
Common stock issued in connection with the acquisition of Cyberfone Systems, LLC	$ 2,280,000	$ -	$ 2,280,000
Issuance of common stock issued for prepaid services	$ 441,256	$ -	$ 441,256
Acquisition of patents in connection with a non-cash settlement	$ 1,000,000	$ -	$ 1,000,000

See accompanying notes to unaudited consolidated financial statements.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Organization

Marathon Patent Group, Inc. ("the Company"), formerly American Strategic Minerals Corporation, was incorporated under the laws of the State of Nevada on February 23, 2010.

On December 7, 2011, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Nevada in order to change its name to "American Strategic Minerals Corporation" from "Verve Ventures, Inc.", and increase the Company's authorized capital to 200,000,000 shares of common stock, par value $0.0001 per share, and 50,000,000 shares of preferred stock, par value $0.0001 per share. During June 2012, the Company decided to discontinue its exploration and potential development of uranium and vanadium minerals business. Additionally, in November 2012, the Company decided to discontinue its real estate business.

On August 1, 2012, the shareholders holding a majority of the Company's voting capital voted in favor of (i) changing the name of the Company to "Fidelity Property Group, Inc." and (ii) the adoption the 2012 Equity Incentive Plan and reserving 10,000,000 shares of common stock for issuance thereunder (the "2012 Plan"). The board of directors of the Company (the "Board of Directors") approved the name change and the adoption of the 2012 Plan on August 1, 2012. The Company did not file an amendment to its Articles of Incorporation with the Secretary of State of Nevada and subsequently abandoned the decision to adopt the "Fidelity Property Group, Inc." name.

On October 1, 2012, the shareholders holding a majority of the Company's voting capital had voted and authorized the Company to (i) change the name of the Company to Marathon Patent Group, Inc. (the "Name Change") and (ii) effectuate a reverse stock split of the Company's common stock by a ratio of 3-for-2 (the "Reverse Split") within one year from the date of approval of the stockholders of the Company. The Board of Directors approved the Name Change and the Reverse Split on October 1, 2012. The Board of Directors determined the name "Marathon Patent Group, Inc." better reflects the long-term strategy in exploring other opportunities and the identity of the Company going forward. On February 15, 2013, the Company filed the Certificate of Amendment with the Secretary of State of the State of Nevada in order to effectuate the Name Change. On May 31, 2013, shareholders of record holding a majority of the outstanding voting capital of the Company approved a reverse stock split of the Company's issued and outstanding common stock by a ratio of not less than one-for-five and not more than one-for-fifteen at any time prior to April 30, 2014, with such ratio to be determined by the Company's Board of Directors, in its sole discretion. On June 24, 2013, the reverse stock split ratio of one (1) for thirteen (13) basis was approved by the Board of Directors. On July 18, 2013, the Company filed a certificate of amendment to its Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada in order to effectuate a reverse stock split of the Company's issued and outstanding common stock, par value $0.0001 per share on a one (1) for thirteen (13) basis. All share and per share values for all periods presented in the accompanying consolidated financial statements are retroactively restated for the effect of the reverse stock split.

On January 26, 2012, the Company entered into a Share Exchange Agreement (the "Exchange Agreement") with American Strategic Minerals Corporation, a Colorado corporation ("Amicor") and the shareholders of Amicor (the "Amicor Shareholders"). Upon closing of the transaction contemplated under the Exchange Agreement (the "Share Exchange"), on January 26, 2012, the Amicor Shareholders transferred all of the issued and outstanding capital stock of Amicor to the Company in exchange for an aggregate of 769,231 post-split (10,000,000 pre-split) shares of the common stock of the Company. The Share Exchange caused Amicor to become a wholly-owned subsidiary of the Company. Additionally, as further consideration for entering into the Exchange Agreement, certain Amicor Shareholders received ten-year warrants to purchase an aggregate of 461,538 post-split (6,000,000 pre-split) shares of the Company's common stock with an exercise price of $6.50 post-split ($0.50 pre-split) per share. Prior to acquisition by the Company, Amicor owned certain mining and mineral rights.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS (continued)

Amicor, formerly Nuclear Energy Corporation, was incorporated under the laws of the State of Colorado on April 30, 2011. Amicor owns mining leases of federal unpatented mining claims and leases private lands in the states of Utah and Colorado for the purpose of exploration and potential development of uranium and vanadium minerals.

Prior to the Share Exchange, the Company was a shell company with no business operations.

The Share Exchange was accounted for as a reverse-merger and recapitalization. Amicor was the acquirer for financial reporting purposes and the Company was the acquired company. Consequently, the assets and liabilities and the operations reflected in the historical financial statements prior to the Share Exchange were those of Amicor and was recorded at the historical cost basis of Amicor, and the consolidated financial statements after completion of the Share Exchange included the assets and liabilities of the Company and Amicor, historical operations of Amicor and operations of the Company from the closing date of the Share Exchange.

On June 11, 2012, the Company terminated various leases related to its uranium mining claims (the “Claims”), consisting of: the Cutler King Property (3 unpatented mining claims); “Centennial-Sun Cup” (42 unpatented mining claims); “Bull Canyon” (2 unpatented mining claims); “Martin Mesa” (51 unpatented mining claims); “Avalanche/Ajax” (8 unpatented mining claims) and “Home Mesa” (9 unpatented mining claims). The Company had acquired the Claims through the acquisition of Amicor on January 26, 2012. The decision by the Company to terminate these leases followed changes in management and direction of the Company, a review of the uranium market, and the timing and costs expected to pursue the business.

On June 11, 2012, the Company entered into a rescission agreement (the “Rescission Agreement”) with Amicor, and the Amicor Shareholders. Each of the Amicor Shareholders had previously received shares of the Company’s common stock (and certain of the Amicor Shareholders also received warrants to purchase shares of the Company’s common stock) (collectively, the “Shareholder Securities”) pursuant to the Rescission Agreement. Each of the Amicor Shareholders, with the exception of one, agreed to return the Shareholder Securities to the Company for cancellation and to enter into joint mutual releases with the Company. Furthermore, pursuant to the terms of the Rescission Agreement, George Glasier resigned from his position as President, Chief Executive Officer and Chairman of the Company; Kathleen Glasier resigned from her position as Secretary of the Company, Michael Moore resigned from his position as Chief Operating Officer and Vice President of the Company and each of David Andrews and Kyle Kimmerle resigned from their position as a director of the Company. As a result of the foregoing, the Company cancelled 754,359 post-split (9,806,667 pre-split) shares of the Company’s common stock and 369,231 post-split (4,800,000 pre-split) warrants and terminated the mining leases entered into with the Amicor Shareholders. Additionally, the Company paid an aggregate of $132,000 to Amicor Shareholders upon the execution of the Rescission Agreement.

Under the terms of the Rescission Agreement, upon Mr. Glasier’s resignation, the Company’s employment agreement with Mr. Glasier was terminated and all options, warrants and rights to acquire any shares of the Company’s common stock, whether vested or unvested, were terminated as of the date of the Rescission Agreement. Additionally, under the terms of the Rescission Agreement, the Company’s lease for certain office space, dated as of January 26, 2012 with Silver Hawk Ltd., an entity owned and controlled by George Glasier and Kathleen Glasier, was terminated.

On June 11, 2012, the Company and Pershing Gold Corporation (“Pershing”) exercised its right under the Option Agreement executed in January 2012, through the assignment of Pershing’s wholly owned subsidiary, Continental Resources Acquisition Sub, Inc. (“Acquisition Sub”). As a result of the assignment, Acquisition Sub became a wholly owned subsidiary of the Company and the Company acquired all of Pershing’s uranium assets.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS (continued)

On November 14, 2012, the Company entered into a Share Exchange Agreement (the "Sampo Exchange Agreement") with Sampo IP LLC, a Virginia limited liability company ("Sampo"), a company that holds certain intellectual property rights, and the members of Sampo (the "Sampo Members"). Upon closing of the transaction contemplated under the Sampo Exchange Agreement (the "Sampo Share Exchange"), on November 14, 2012, the Sampo Members (6 members) transferred all of the issued and outstanding membership interests of Sampo to the Company in exchange for an aggregate of 711,538 post-split (9,250,000 pre-split) shares of the common stock of the Company. Additionally, the Company made a cash payment to Sampo of $500,000 pursuant to the terms of the Sampo Exchange Agreement.

Upon the closing of the Sampo Share Exchange, Mark Groussman resigned as the Company's Chief Executive Officer and John Stetson resigned as the Company's President and Chief Operating Officer and simultaneously with the effectiveness of the Sampo Share Exchange, Doug Croxall was appointed as the Company's Chief Executive Officer and Chairman and John Stetson was appointed as the Company's Chief Financial Officer and Secretary. LVL Patent Group LLC, of which Mr. Croxall is the Chief Executive Officer, and John Stetson, were former members of Sampo and received 307,692 post-split (4,000,000 pre-split) and 38,462 post-split (500,000 pre-split) shares of the Company's common stock, respectively, in connection with the Sampo Share Exchange.

On March 6, 2013, the Company entered into an Asset Purchase Agreement (the "Agreement") with Augme Technologies ("Seller") whereby Seller agreed to sell to the Company certain office equipment, data, documentation, and business information related to the Seller's business and assign agreements and prospective clients and business opportunities to the Company. In consideration for the assets and assigned agreements, the Company paid $10,000 at closing and provides litigation assistance as defined in the Agreement. As additional consideration, the Company also entered into a 2 year Service Agreement (the "Service Agreement") with the Seller whereby the Seller shall engage the Company to provide consulting services including patent litigation matters, sale, license involving the Seller's intellectual property and general consulting services to continue the Seller's business operations. The Company recorded the $10,000 payment which was primarily attributable to property and equipment. Additionally, the Company assumed an office lease agreement that expired in July 2013.

On April 22, 2013, CyberFone Acquisition Corp. ("Acquisition Corp."), a Texas corporation and newly formed wholly owned subsidiary of the Company entered into a merger agreement (the "Agreement") with CyberFone Systems LLC, a Texas limited liability company ("CyberFone Systems"), TechDev Holdings LLC ("TechDev") and The Spangenberg Family Foundation for the Benefit of Children's Healthcare and Education ("Spangenberg Foundation"). TechDev and Spangenberg Foundation owned 100% of the membership interests of CyberFone Systems (collectively, the 'CyberFone Sellers") (see Note 3).

The Company is a patent licensing company serving a wide range of patent owners from Fortune 500 companies to independent inventors. The Company provides its clients advice and services that enable them to realize financial and strategic returns on their intellectual property rights. The Company's operating subsidiaries acquire patent assets, partner with patent holders, and monetize patent portfolios through actively managed patent licensing campaigns. Consequently, the Company decided to discontinue its real estate business and all of the remaining real estate holdings were sold during fiscal 2013.

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS (continued)

Going Concern

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception resulting in a deficit accumulated during the development stage of approximately $8.5 million as of June 30, 2013, and negative cash flows from operating activities and net loss of approximately $693,000 and $1.4 million, respectively, for the six months ended June 30, 2013. The Company anticipates further losses in the development of its business raising substantial doubt about the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent upon the Company generating profitable operations in the future and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

Based on current operating plans, the current resources of the Company, after taking into account the net funds received during the six months ended June 30, 2013 from the sales and disposal of the remaining real estate properties and the sale of common stock of the Company, are expected to be sufficient for at least the next twelve months. The Company may choose to raise additional funds in connection with any future acquisition of additional intellectual property assets, operating businesses or other assets that it may choose to pursue. There can be no assurance, however, that any such opportunities will materialize. Moreover, any potential financing would likely be dilutive to the Company's stockholders.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principle of Consolidation

The condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") and present the financial statements of the Company and its wholly-owned subsidiaries. In the preparation of consolidated financial statements of the Company, intercompany transactions and balances were eliminated. All adjustments (consisting of normal recurring items) necessary to present fairly the Company's financial position as of June 30, 2013, and the results of operations and cash flows for the six months ended June 30, 2013 have been included. The results of operations for the six months ended June 30, 2013 are not necessarily indicative of the results to be expected for the full year. The accounting policies and procedures employed in the preparation of these condensed consolidated financial statements have been derived from the audited financial statements of the Company for the year ended December 31, 2012, which are contained in Form 10-K as filed with the Securities and Exchange Commission on March 28, 2013. The consolidated balance sheet as of December 31, 2012 was derived from those financial statements.

Development Stage Company

The Company is presented as a development stage company. Activities during the development stage include organizing the business, raising capital, enforcement and development of its intellectual property, and acquiring additional intellectual property. The Company is a development stage company with insignificant revenues and no profits from its planned principal operations. The Company has not commenced significant operations and, in accordance with Accounting Standards Codification ("ASC") Topic 915 "Development Stage Entities", is considered a development stage company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with maturity of three months or less, when purchased, to be cash equivalents. The Company maintains cash and cash equivalent balances at one financial institution that is insured by the Federal Deposit Insurance Corporation. The Company's account at this institution is insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. For the six months ended June 30, 2013, the Company has reached bank balances exceeding the FDIC insurance limit. To reduce its risk associated with the failure of such financial institution, the Company evaluates at least annually the rating of the financial institution in which it holds deposits.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate fair value of warrants and options granted, common stock issued for services, and common stock issued in connection with an option agreement and the valuation of mineral rights.

Accounts Receivable

The Company has a policy of reserving for questionable accounts based on its best estimate of the amount of probable credit losses in its existing accounts receivable. The Company periodically reviews its accounts receivable to determine whether an allowance is necessary based on an analysis of past due accounts and other factors that may indicate that the realization of an account may be in doubt. Account balances deemed to be uncollectible are charged to the bad debt expense after all means of collection have been exhausted and the potential for recovery is considered remote. At June 30, 2013 and 2012, there was no allowance for bad debt. Accounts receivable at June 30, 2013 and December 31, 2012, amounted to $250,000 and $0, respectively.

Concentration of revenue and geographic area

Patent license revenue from enforcement activities is considered United States revenue as payments are for licenses for United States operations irrespective of the location of the licensee's or licensee's parent home domicile. As of June 30, 2013, one customer accounted for 100% of the Company's total accounts receivable. Revenues from three customers accounted for approximately 100% of the Company's revenues for the six months ended June 30, 2013.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 605, "Revenue Recognition". Revenue is recognized when (i) persuasive evidence of an arrangement exists, (ii) all obligations have been substantially performed, (iii) amounts are fixed or determinable and (iv) collectability of amounts is reasonably assured.

The Company considers its licensing and enforcement activities as one unit of accounting under ASC 605-25, "Multiple-Element Arrangements" as the delivered items do not have value to customers on a standalone basis, there are no undelivered elements and there is no general right of return relative to the license. Under ASC 605-25, the appropriate recognition of revenue is determined for the combined deliverables as a single unit of accounting and revenue is recognized upon delivery of the final elements, including the license for past and future use and the release.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also due to the fact that the settlement element and license element for past and future use are the major central business, the Company does not present these two elements as different revenue streams in its statement of operations. The Company does not expect to provide licenses that do not provide some form of settlement or release. Revenues from patent enforcement activities accounted for 100% of the Company's revenues for six months ended June 30, 2013.

Cost of revenue

Cost of revenues mainly includes expenses incurred in connection with the Company's patent enforcement activities, such as legal fees, consulting costs, patent maintenance, royalty fees for acquired patents and other related expenses, as well as, the amortization of acquired patents. Cost of revenue does not include expenses related to product development, integration or support, as these are included in general and administrative expenses.

Prepaid Expenses

Prepaid expenses of $445,925 and $40,333 at June 30, 2013 and December 31, 2012, respectively, consist primarily of costs paid for future services which will occur within a year. Prepaid expenses include prepayments in cash and equity instruments for public relation services, business advisory, consulting and prepaid insurance which are being amortized over the terms of their respective agreements.

Marketable Securities

Marketable securities that the Company invests in publicly traded equity securities and are generally restricted for sale under Federal securities laws. The Company's policy is to liquidate securities received when market conditions are favorable for sale. Since these securities are often restricted, the Company is unable to liquidate them until the restriction is removed. Pursuant to ASC Topic 320, "Investments –Debt and Equity Securities" the Company's marketable securities have a readily determinable and active quoted price, such as from NASDAQ, NYSE Euronext, the Over the Counter Bulletin Board, and the OTC Markets Group.

Available for sale securities are carried at fair value, with changes in unrealized gains or losses are recognized as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale are reflected in the net income (loss) for the period in which the security was liquidated.

Related Party Transaction

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive Income

Accounting Standards Update ("ASU") No. 2011-05 amends Financial Accounting Standards Board ("FASB") Codification Topic 220 on comprehensive income (1) to eliminate the current option to present the components of other comprehensive income in the statement of changes in equity, and (2) to require presentation of net income and other comprehensive income (and their respective components) either in a single continuous statement or in two separate but consecutive statements. These amendments do not alter any current recognition or measurement requirements in respect of items of other comprehensive income. The amendments in this Update are to be applied prospectively.

Fair Value of Financial Instruments

The Company adopted FASB ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements, establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of ASC 820 did not have an impact on the Company's financial position or operating results, but did expand certain disclosures. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities
Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data
Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

Investment measured at fair value on a recurring basis:

	Fair Value Measurements Using:		
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities – available for sale, net of discount for effect of restriction	$ -	$ -	$ 6,250

The Company classifies the investments in marketable securities available for sale as Level 3, adjusted for the effect of restriction. The securities are restricted and cannot be readily resold by the Company absent a registration of those securities under the Securities Act of 1933, as amended (the "Securities Act") or the availabilities of an exemption from the registration requirements under the Securities Act. As these securities are often restricted, the Company is unable to liquidate them until the restriction is removed. Unrealized gains or losses on marketable securities available for sale are recognized as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale are reflected in our net income for the period in which the security was liquidated.

The carrying amounts reported in the balance sheet for cash, accounts receivable, prepaid expenses, accounts payable, and accrued expenses, approximate their estimated fair market value based on the short-term maturity of this instrument.

In addition, FASB ASC 825-10-25 “Fair Value Option” was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value.

Income Taxes

The Company accounts for income taxes pursuant to the provision of ASC 740-10, “Accounting for Income Taxes” which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized.

The Company follows the provision of the ASC 740-10 related to Accounting for Uncertain Income Tax Position. When tax returns are filed, it is highly certain that some positions taken would be situated upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is most likely that not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions.

Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

The Company has adopted ASC 740-10-25 Definition of Settlement, which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion and examination by a taxing authority without being legally extinguished. For tax position considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely that not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. The federal and state income tax returns of the Company are subject to examination by the Internal Revenue Service and state taxing authorities, generally for three years after they were filed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basic and Diluted Net Loss per Share

Net loss per common share is calculated in accordance with ASC Topic 260: Earnings Per Share ("ASC 260"). Basic loss per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. The computation of diluted net loss per share does not include dilutive common stock equivalents in the weighted average shares outstanding as they would be anti-dilutive. The Company has 471,154 post-split options and 628,489 post-split warrants outstanding at June 30, 2013 and was excluded from the computation of diluted shares outstanding as they would have had an anti-dilutive impact on the Company's net loss.

The following table sets forth the computation of basic and diluted loss per share:

	For the Three Months ended June 30, 2013	For the Three Months ended June 30, 2012	For the Six Months ended June 30, 2013	For the Six Months ended June 30, 2012
Numerator:				
Loss from continuing operations	$ (819,972)	$ (283,980)	$ (1,534,288)	$ (3,216,554)
Loss from discontinued operations	$ 9,473	$ (1,302,620)	$ 118,253	$ (1,329,925)
Denominator:				
Denominator for basic and diluted loss per share (weighted-average shares)	4,249,120	3,174,716	3,874,283	2,774,609
Loss per common share, basic and diluted:				
Loss from continuing operations	$ (0.19)	$ (0.09)	$ (0.40)	$ (1.16)
Loss from discontinued operations	$ (0.00)	$ (0.41)	$ 0.03	$ 0.48

Intangible assets

Intangible assets include patents purchased and recorded based on the cost to acquire them. These assets are amortized over their remaining estimated useful lives. Useful lives of intangible assets are periodically evaluated for reasonableness and the assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Goodwill and other intangible assets

In accordance with ASC 350-30-65, "Intangibles - Goodwill and Others", the Company assesses the impairment of identifiable intangibles whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers to be important which could trigger an impairment review include the following:

1. Significant underperformance relative to expected historical or projected future operating results;
2. Significant changes in the manner of use of the acquired assets or the strategy for the overall business; and
3. Significant negative industry or economic trends.

When the Company determines that the carrying value of intangibles may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent in the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows.

Impairment of Long-lived Assets

The Company accounts for the impairment or disposal of long-lived assets according to the ASC 360 “Property, Plant and Equipment”. The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of long-lived assets, including mineral rights, may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated future net undiscounted cash flows expected to be generated by the asset. When necessary, impaired assets are written down to estimated fair value based on the best information available. Estimated fair value is generally based on either appraised value or measured by discounting estimated future cash flows. Considerable management judgment is necessary to estimate discounted future cash flows. Accordingly, actual results could vary significantly from such estimates. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The Company recorded impairment charges on its long-lived assets of $0 and $1,256,000 during the six months ended June 30, 2013 and June 30, 2012, respectively, and was included in loss from discontinued operations.

Stock-based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

Mineral Property Acquisition and Exploration Costs

Costs of lease, exploration, carrying and retaining unproven mineral lease properties were expensed as incurred. The Company expensed all mineral exploration costs as incurred. Such expenses are included in the loss from discontinued operations and prior periods have been restated in the Company’s financial statements and related footnotes to conform to this presentation.

The Company’s remaining claims which include (1) mining lease encompassing 1,520 acres of land owned by J. H. Ranch, Inc. located in San Juan County, Utah (2) certain unpatented lode mining claims acquired on March 9, 2012, located in San Juan County, Utah (3) the Pitchfork Claims, acquired in January 2012 and located in San Miguel County Colorado and (4) the claims acquired on June 11, 2012 from Pershing which include the Coso, Artillery Peak, Blythe and Carnotite properties.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

In April 2013, the FASB ASU 2013-07, “Presentation of Financial Statements: Topic Liquidation Basis of Accounting”. ASU 2013-07 requires an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. Liquidation is considered imminent when the likelihood is remote that the organization will return from liquidation and either: (a) a plan for liquidation is approved by the person or persons with the authority to make such a plan effective and the likelihood is remote that the execution of the plan will be blocked by other parties; or (b) a plan for liquidation is being imposed by other forces. ASU 2013-07 will be effective for the Company beginning on January 1, 2014. The Company does not expect the adoption of ASU 2013-07 to have a material impact on its financial position, results of operations nor cash flows.

There were other updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to have a material impact on the Company’s financial position, results of operations or cash flows.

NOTE 3 – ACQUISITION

On April 22, 2013, Acquisition Corp., a Texas corporation and newly formed wholly owned subsidiary of the Company entered into a merger agreement with CyberFone Systems, TechDev and Spangenberg Foundation. TechDev and Spangenberg Foundation owned 100% of the membership interests of CyberFone Systems.

CyberFone Systems owns a foundational patent portfolio that includes claims that provide specific transactional data processing, telecommunications, network and database inventions, including financial transactions. The portfolio, which has a large and established licensing base, consists of ten United States patents and 27 foreign patents and one patent pending. The patent rights that cover digital communications and data transaction processing are foundational to certain applications in the wireless, telecommunications, financial and other industries. IP Navigation Group LLC (“IP Nav”), a Company founded by Erich Spangenberg and associated with the CyberFone Sellers will continue to support and manage the portfolio of patents and retain a contingent participation interest in all recoveries. IP Nav provides patent monetization and support services under an existing agreement with CyberFone Systems.

Pursuant to the terms of the Merger Agreement, CyberFone Systems merged with and into Acquisition Corp with CyberFone Systems surviving the merger as the wholly owned subsidiary of the Company (the “Merger”). The Company (i) issued 461,538 post-split (6,000,000 pre-split) shares of common stock to the CyberFone Sellers (the “Merger Shares”), (ii) paid the CyberFone Sellers $500,000 cash and (iii) issued a $500,000 promissory note to TechDev (the “Note”). The Company valued these common shares at the fair market value on the date of grant at $4.94 post-split ($0.38 pre-split) per share or $2,280,000. The Note was non-interest bearing and was due on June 22, 2013, subject to acceleration in the event of default. The Company may prepay the Note at any time without premium or penalty. On June 21, 2013, we paid $500,000 to TechDev in satisfaction of the note. The transaction resulted in a business combination and caused CyberFone Systems to become a wholly-owned subsidiary of the Company.

In addition to the payments described above, within 30 days following the end of each calendar quarter (commencing with the first full calendar quarter following the calendar quarter in which CyberFone Systems recovers $4 million from licensing or enforcement activities related to the patents), CyberFone Systems will be required to pay out a certain percentage of such recoveries.

NOTE 3 – ACQUISITION (continued)

The Company accounted for the acquisition utilizing the purchase method of accounting in accordance with ASC 805 "Business Combinations". The Company is the acquirer for accounting purposes and CyberFone Systems is the acquired company. Accordingly, the Company applied push–down accounting and adjusted to fair value all of the assets and liabilities directly on the financial statements of the subsidiary. The net purchase price paid by the Company was allocated to assets acquired and liabilities assumed on the records of the Company as follows:

Intangible assets	$ 1,135,512
Goodwill	2,144,488
Net purchase price	**$ 3,280,000**

Unaudited pro forma results of operations data as if the Company and the subsidiary had occurred are as follows:

	For the six months ended June 30, 2013	**For the six months ended June 30, 2012**
Pro forma revenues	$ 7,424,979	$ 6,050,000
Pro forma loss from operations	(1,303,724)	(635,220)
Pro forma net loss	(1,422,158)	(569,431)
Pro forma loss per share	$ (0.37)	$ (0.13)
Pro forma diluted loss per share	$ (0.37)	$ (0.13)

Pro forma data does not purport to be indicative of the results that would have been obtained had these events actually occurred and is not intended to be a projection of future results.

NOTE 4 - DISCONTINUED OPERATIONS

During June 2012, the Company decided to discontinue its exploration and potential development of uranium and vanadium minerals business and prior periods have been restated in the Company's consolidated financial statements and related footnotes to conform to this presentation. Additionally, in November 2012, the Company decided to discontinue its real estate business and intends to sell and dispose its remaining real estate holdings during fiscal 2013. The Company is now engaged in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of its own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights.

The remaining assets and liabilities of discontinued operations are presented in the balance sheet under the caption "Assets and Liabilities of discontinued operation" and relates to the discontinued operations of the uranium and vanadium minerals business and real estate business. The carrying amounts of the major classes of these assets and liabilities are summarized as follows:

	June 30, 2013	December 31, 2012
Assets:		
Prepaid expenses – current portion	$ -	$ -
Deposits in real estate under contract	-	82,145
Deposit	-	-
Real estate held for sale	-	1,035,570
Assets of discontinued operations	$ -	$ 1,117,715

NOTE 4 - DISCONTINUED OPERATIONS (continued)

Liabilities:		
Accounts payables and accrued expenses	$ 30,664	$ 30,664
Liabilities of discontinued operations	$ 30,664	$ 30,664

The following table indicates selected financial data of the Company's discontinued operations of its uranium and vanadium minerals business and real estate business.

	For the Three Months ended June 30, 2013	For the Three Months ended June 30, 2012	For the Six Months ended June 30, 2013	For the Six Months ended June 30, 2012
Revenues – real estate	$ 283,966	$ -	$ 1,270,916	$ -
Cost of sales- real estate	(243,837)	-	(1,061,320)	-
Gross profit	40,129	-	209,596	-
Operating and other non-operating expenses	(30,656)	(1,302,620)	(91,343)	(1,329,925)
Income (loss) from discontinued operations	$ 9,473	$ (1,302,620)	$ 118,253	$ (1,329,925)

Deposits

Deposits at June 30, 2013 and December 31, 2012 were $0 and $82,145, respectively, which consist of earnest money deposits in connection with real estate properties under contract and were included in assets of discontinued operations – current portion.

Real estate held for sale

Real estate held for sale consisted of residential properties located in Southern California. Real estate held for sale was initially recorded at the lower of cost or estimated fair market value less the estimated cost to sell. After acquisition, costs incurred relating to the development and improvements of property are capitalized to the extent they do not cause the recorded value to exceed the net realizable value, whereas costs relating to holding and disposition of the property are expensed as incurred. After acquisition, real estate held for sale was analyzed periodically for changes in fair values and any subsequent write down is charged to impairment losses on real estate properties. Whenever events or changes in circumstances suggest that the carrying amount may not be recoverable, management assessed the recoverability of its real estate by comparing the carrying amount with its fair value. The process involved in the determination of fair value requires estimates as to future events and market conditions. This estimation process may assume that the Company has the ability to dispose of its real estate properties in the ordinary course of business based on management's present plans and intentions. If management determines that the carrying value of a specific real estate investment is impaired, a write-down is recorded as a charge to current period operations. The evaluation process was based on estimates and assumptions and the ultimate outcome may be different.

NOTE 4 - DISCONTINUED OPERATIONS (continued)

The Company determined that the carrying value of the remaining real estate properties do not exceed the net realizable value and thus did not consider it necessary to record any impairment charges of real estate held for sale at June 30, 2013. The Company sold all the remaining real estate properties generating gross profit of $209,596 during the six months ended June 30, 2013 and is included in income (loss) from discontinued operations. As of June 30, 2013 and December 31, 2012, real estate held for sale which includes capitalized improvements amounted to $0 and $1,035,570 respectively and were included in assets of discontinued operations – long term.

NOTE 5 – INTANGIBLE ASSETS

Intangible assets include patents purchased and are recorded based on their acquisition cost which consisted of the following:

	June 30, 2013 (unaudited)	December 31, 2012	Weighted average amortization period (years)
Patents	$ 2,986,437	$ 500,925	3.32
Less: accumulated amortization	(484,453)	(8,773)	
	$ 2,501,984	$ 492,152	

Intangible assets are comprised of patents with estimated useful lives between approximately 1 to 11 years. Once placed in service, the Company will amortize the costs of intangible assets over their estimated useful lives on a straight-line basis. Costs incurred to acquire patents, including legal costs, are also capitalized as long-lived assets and amortized on a straight-line basis with the associated patent. The Company assesses fair market value for any impairment to the carrying values. As of June 30, 2013 and December 31, 2012 management concluded that there was no impairment to the acquired assets.

Amortization expense for the six months ended June 30, 2013 and 2012 was $475,680 and $0, respectively. Future amortization of intangible assets, net is as follows:

2013	$ 588,490
2014	769,386
2015	550,145
2016	279,820
2017 and thereafter	314,143
Total	$ 2,501,984

On April 16, 2013, the Company through its subsidiary, Relay IP, Inc. acquired a US patent for $350,000.

On April 22, 2013, the Company acquired 10 US patents, 27 foreign patents and 1 patent pending from CyberFone Systems valued at $1,135,512 (see note 3).

In connection with a settlement and license agreement dated May 6, 2013, the Company agreed to settle and release a certain customer for past and future use of the Company's patents. The customer agreed to assign and transfer 3 US patents and rights valued at $1,000,000 in lieu of cash payment which has been included in revenues during the six months ended June 30, 2013.

NOTE 6 - STOCKHOLDERS' EQUITY

On December 7, 2011, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Nevada in order to increase the Company's authorized capital to 200,000,000 shares of common stock from 75,000,000 shares, change the par value to $0.0001 per share from $.001 per share, and authorized new 50,000,000 shares of preferred stock, par value $0.0001 per share.

On June 24, 2013, the reverse stock split ratio of one (1) for thirteen (13) basis was approved by the Board of Directors. On July 18, 2013, the Company filed a certificate of amendment to its Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada in order to effectuate a reverse stock split of the Company's issued and outstanding common stock, par value $0.0001 per share on a one (1) for thirteen (13) basis. All share and per share values for all periods presented in the accompanying consolidated financial statements are retroactively restated for the effect of the reverse stock split.

Common Stock

In April 2013, the Company sold an aggregate of 2,404 post-split (31,250 pre-split) units with gross proceeds to the Company of $25,000 to a certain accredited investor pursuant to a subscription agreement. Each unit was sold for a purchase price of $10.40 post-split ($0.80 pre-split) per unit and consists of: (i) two shares of the Company's common stock (4,808 post-split common stock) and (ii) a five-year warrant to purchase an additional share of common stock (2,404 post split warrants) at an exercise price of $7.80 post-split ($0.60 pre-split) per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The warrants may be exercised on a cashless basis.

On April 17, 2013, the Company executed a consulting agreement with a consultant pursuant to a 12 month consulting agreement for business advisory services. Pursuant to the terms of the agreement, the consultant shall receive a retainer of $5,000 per month. Additionally, the Company shall issue to the consultant 30,769 post-split (400,000 pre-split) shares of common stock of which 7,692 post-split (100,000 pre-split) shares vest immediately and the remaining 23,077 post-split (300,000 pre-split) shares will vest over a 12 month period. In June 2013, the Company issued 11,538 shares for services rendered and valued these common shares at the fair market value on the date of grant at approximately $5.03 per share or $58,000.

On May 31, 2013, the Company sold an aggregate of 999,998 post-split (13,000,000 pre-split) units (the "Units") representing gross proceeds to the Company of $5,200,000 to certain accredited investors (the "Investors") pursuant to a securities purchase agreement (the "Securities Purchase Agreement").

Each Unit was subscribed for a purchase price of $5.20 post-split ($0.40 pre-split) per Unit and consists of: (i) one share (the "Shares") of the Company's common stock (999,998 post-split common stock) and (ii) a three (3) year warrant (the "Warrants") to purchase half a share of the common stock (499,999 post-split warrants) at an exercise price of $6.50 post-split ($0.50 pre-split) per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. The Company paid placement agent fees of $170,000 to two broker-dealers in connection with the sale of the units, of which $30,000 was previously paid by the Company as a retainer.

The Warrants may be exercised on a cashless basis at any time that the registration statement to be filed pursuant to the Registration Rights Agreement is not effective after the Effectiveness Date (as defined below). The Warrants contains limitations on the holder's ability to exercise the Warrant in the event such exercise causes the holder to beneficially own in excess of 9.99% of the Company's issued and outstanding Common Stock.

NOTE 6 - STOCKHOLDERS' EQUITY (continued)

Pursuant to a Registration Rights Agreement with the Investors, the Company has agreed to file a "resale" registration statement with the Securities and Exchange Commission ("SEC") covering the Shares and the Common Stock underlying the Warrants within 45 days of the final closing date of the sale of Units (the "Filing Date") and to maintain the effectiveness of such registration statement. The Company has agreed to use its best efforts to have the initial registration statement declared effective within 120 days of the Filing Date (or within 135 days of the Filing Date in the event that the registration statement is subject to full review by the SEC) (the "Effectiveness Date"). If (i) a registration statement is (A) not filed with the SEC on or before the Filing Date or (B) not declared effective by the SEC on or before the Effectiveness Date, (ii) other than during an allowable grace period, sales cannot be made pursuant to the registration statement or the prospectus contained therein is not available for use for any reason, or (iii) the Company fails to file with the SEC any required reports under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, then, the Company shall pay to the Investors an amount in cash equal to one percent (1%) of such Investor's purchase price every thirty (30) days. Notwithstanding the foregoing, however, the Company shall not be obligated to pay any such liquidated damages if the Company is unable to fulfill its registration obligations as a result of rules, regulations, positions or releases issued or actions taken by the SEC pursuant to its authority with respect to "Rule 415", provided the Company registers at such time the maximum number of shares of common stock permissible upon consultation with the staff of the SEC.

In connection with the acquisition of CyberFone Systems, the Company (i) issued 461,538 post-split (6,000,000 pre-split) shares of common stock to the CyberFone Sellers (see Note 3). The Company valued these common shares at the fair market value on the date of grant at $4.94 post-split ($0.38 pre-split) per share or $2,280,000.

On May 22, 2013, the Company executed consulting agreements with a consultant pursuant to 12 month consulting agreements for business advisory and capital restructuring services. The Company granted 23,077 post-split shares of common stock in connection with this consulting agreement and was valued at fair market value on the date of grant at approximately $5.85 post-split per share. In connection with the issuance of these common shares, the Company recorded stock-based consulting expense of $11,250 and prepaid expense of $123,750 at June 30, 2013 to be amortized over the remaining consulting agreement term.

On June 11, 2013, the Company granted an aggregate of 96,154 post-split (1,250,000 pre-split) shares of common stock to the Company's CFO and a director of the Company and which were valued at fair market value on the date of grant at approximately $5.27 post-split ($0.41 pre-split) per share. Such shares vested immediately on the date of issuance. Additionally, during the six months ended June 30, 2013, the Company recorded stock-based compensation expense of $506,250 in connection with the vested restricted stock grants.

On June 28, 2013, the Company executed consulting agreements with two consultants pursuant to 12 month consulting agreements for investor communications and public relation services. The Company granted an aggregate of 67,308 post-split (875,000 pre-split) shares of common stock in connection with these consulting agreements and was valued at fair market value on the date of grant at approximately $4.55 post-split per share. In connection with the issuance of these common shares, the Company recorded prepaid expense of $306,256 at June 30, 2013 to be amortized over the remaining consulting agreement term.

NOTE 6 - STOCKHOLDERS' EQUITY (continued)

Common Stock Warrants

During the six months ended June 30, 2013, 73,077 post-split (950,000 pre-split) warrants were forfeited in accordance with the termination of employee and consultant relationships. During the six months ended June 30, 2013, the Company recorded stock based compensation expense of $45,733 in connection with vested warrants. At June 30, 2013, there was a total of $144,820 of unrecognized compensation expense related to this non-vested warrant-based compensation arrangements.

A summary of the status of the Company's outstanding stock warrants and changes during the period then ended is as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at December 31, 2012	199,162	$ 7.02	6.52
Granted	502,404	6.50	3.00
Cancelled	-	-	-
Forfeited	(73,077)	6.50	8.92
Exercised	-	-	-
Balance at June 30, 2013	628,489	$ 6.68	5.34
Warrants exercisable at June 30, 2013	600,284	$ 6.69	
Weighted average fair value of warrants granted during the period ended		$ 6.50	

Common Stock Option

On November 14, 2012, the Company entered into an employment agreement with Doug Croxall (the "Croxall Employment Agreement"), whereby Mr. Croxall agreed to serve as Company's Chief Executive Officer for a period of two years. Mr. Croxall received a ten year option award to purchase an aggregate of 153,846 post-split (2,000,000 pre-split) shares of the Company's common stock with an exercise price of $6.50 post-split ($0.50 pre-split) per share, subject to adjustment, which shall vest in 24 equal monthly installments on each monthly anniversary of the date of the Croxall Employment Agreement. The options were valued on the grant date at approximately $6.24 post-split ($0.48 pre-split) per option or a total of $968,600 using a Black-Scholes option pricing model with the following assumptions: stock price of $6.50 post-split ($0.50 pre-split) per share (based on the recent selling price of the Company's common stock at private placements), volatility of 192%, expected term of 5 years, and a risk free interest rate of 0.61%.

On January 28, 2013, the Company entered into an employment agreement with John Stetson, the Company's Chief Financial Officer and Secretary (the "Stetson Employment Agreement") whereby Mr. Stetson agreed to serve as the Company's Chief Financial Officer for a period of one year, subject to renewal. Mr. Stetson shall receive a ten year option award to purchase an aggregate of 38,462 post-split (500,000 pre-split) shares of the Company's common stock with an exercise price of $6.50 post-split ($0.50 pre-split) per share, subject to adjustment, which shall vest in three (3) equal annual installments on the beginning on the first annual anniversary of the date of the Stetson Employment Agreement, provided Mr. Stetson is still employed by the Company.

NOTE 6 - STOCKHOLDERS' EQUITY (continued)

On March 1, 2013, Mr. Nathaniel Bradley was appointed as the Company's Chief Technology Officer and President of IP Services. Pursuant to the Employment Agreement between the Company and Mr. Bradley dated March 1, 2013 ("Bradley Employment Agreement"). Mr. Bradley was awarded five (5) year stock options to purchase an aggregate of 76,923 post-split (1,000,000 pre-split) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 1, 2013 as reported by the OTC Bulletin Board or an exercise price of $11.05 post-split ($0.85 pre-split) per share, vesting in twenty-four (24) equal installments on each monthly anniversary of March 1, 2013, provided Mr. Bradley is still employed by the Company on each such date. On June 19, 2013, the Board of Directors accepted resignation of Mr. Nathaniel Bradley from his position of Chief Technology Officer and President of IP Services with the Company. In connection with his resignation, Mr. Bradley entered into a Separation and Release Agreement with the Company, pursuant to which, Mr. Bradley is entitled to 9,615 post-split (125,000 pre-split) options previously granted to him under his employment agreement which have vested and 67,308 post-split (875,000 pre-split) options have been cancelled.

On March 1, 2013, Mr. James Crawford was appointed as the Company's Chief Operating Officer. Pursuant to the Employment Agreement between the Company and Mr. Crawford dated March 1, 2013 ("Crawford Employment Agreement"), Mr. Crawford shall serve as the Company's Chief Operating Officer for two (2) years. Mr. Crawford was awarded five (5) year stock options to purchase an aggregate of 38,462 post-split (500,000 pre-split) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 1, 2013 as reported by the OTC Bulletin Board or an exercise price of $11.05 post-split ($0.85 pre-split) per share, vesting in twenty-four (24) equal installments on each monthly anniversary of March 1, 2013, provided Mr. Crawford is still employed by the Company on each such date. On June 19, 2013, the Company granted 38,462 post-split (500,000 pre-split) options to Mr. Crawford. The stock options granted have an exercise price equal to the fair market value per share on the option grant date, which was $4.94 post-split ($0.38 pre-split) per share. The options issued to Mr. Crawford are conditioned upon the cancellation of the stock options granted to him on March 1, 2013 under his employment agreement with the Company and will vest in twenty-four (24) equal installments on each monthly anniversary of the date of grant.

Pursuant to the Independent Director Agreement between the Company and each of Mr. Nard and Mr. Rosellini dated March 8, 2013, each director was granted five (5) year stock options to purchase an aggregate of 7,692 post-split (100,000 pre-split) shares of the Company's common stock, with a strike price based on the closing price of the Company's common stock on March 8, 2013 as reported by the OTC Bulletin Board or an exercise price of $6.50 post-split ($0.50 pre-split) per share. The options shall vest as follows: 33% the first anniversary hereof; 33% on the second anniversary and 34% on the third anniversary, and shall be subject to the Company's stock plan as in effect from time to time, including any clawback and termination provisions therein. The option agreements shall provide for cashless exercise features. Such agreement shall be terminated upon resignation or removal of Mr. Nard and Mr. Rosellini as members of Board of Directors.

On June 11, 2013, the Company granted an aggregate of 176,923 post-split (2,300,000 pre-split) 5-year options to purchase shares of common stock exercisable at $5.33 post-split ($0.41 pre-split) per share to the Chief Executive Officer and two directors of the Company. The stock options shall vest pro rata monthly over the following 24 month period.

On June 11, 2013, the Company granted 15,385 post-split (200,000 pre-split) 5-year options to purchase shares of common stock exercisable at $5.33 post-split ($0.41 pre-split) per share to a consultant for legal services. The stock options shall vest pro rata monthly over the following 24 month period.

NOTE 6 - STOCKHOLDERS' EQUITY (continued)

On June 19, 2013, the Company granted an aggregate of 23,077 post-split (300,000 pre-split) 5-year options to purchase shares of common stock exercisable at $4.94 post-split ($0.38 pre-split) per share to two employees of the Company. The options shall vest as follows: 33% the first anniversary hereof; 33% on the second anniversary and 34% on the third anniversary.

The 407,692 post-split (5,300,000 pre-split) options granted during the six months ended June 30, 2013 were valued on the grant date at ranging from approximately $2.86 to $7.41 post-split ($0.22 to $0.57 pre-split) per option or a total of $1,823,353 using the Black-Scholes option pricing model used for this valuation had the following assumptions: stock price ranging from $4.94 to $11.05 post-split ($0.38 to $0.85 pre-split) per share, volatility of ranging from 99% to 108%, expected term of ranging from approximately 2.5 to 5 years, and a risk free interest rate ranging from 0.31% to 0.89%.

For the six months ended June 30, 2013 the Company recorded stock-based compensation expense of $404,999 and stock-based legal fees of $958. At June 30, 2013, there was a total of $1,698,021 of unrecognized compensation expense related to these non-vested option-based compensation arrangements discussed above.

A summary of the stock options as of June 30, 2013 and changes during the period are presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Balance at December 31, 2012	153,846	6.50	9.87
Granted	423,077	6.95	5.29
Exercised	-	-	-
Forfeited	-	-	-
Cancelled	(105,769)	11.05	4.70
Balance outstanding at June 30, 2013	471,154	$ 5.89	7.81
Options exercisable at end of period	54,487	$ 7.3	
Options expected to vest	416,667		
Weighted average fair value of options granted during the period		$ 4.42	

Stock options outstanding at June 30, 2013 as disclosed in the above table have $0 intrinsic value at the end of the period.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Mining Lease Agreements

In November 2011, the Company, through its wholly owned subsidiary, Amicor, entered into several mining lease agreements with certain officers of Amicor and affiliated companies owned by the officers of Amicor (collectively the “Lessors”). Such mining lease agreements granted and leased to the Company mineral properties located in the County of San Juan, Utah, County of Montrose, Colorado and County of San Miguel, Colorado. The term of the mining lease agreements was for the period of 20 years. The Company was required to pay the annual Federal Bureau of Land Management maintenance fees and other fees required to hold the mineral properties.

NOTE 7 – COMMITMENTS AND CONTINGENCIES (continued)

If the Company fails to keep or perform according to the terms of this agreement shall constitute an event of default and as such the Company shall have 10 days after receipt of default notice to make good or cure the default. Upon failure to cure the default, such mining lease agreements shall be terminated by the Lessors. The Company shall be under no further obligation or liability to the Lessors from and after the termination except for the performance of obligations and satisfaction of accrued liabilities to Lessors or third parties prior to such termination. On June 11, 2012, the Company terminated the leases in connection with the Rescission Agreement (see Note 1).

In December 2011, the Company, entered into a Lease Assignment and Acceptance Agreement with an affiliated company owned by the former officers of Amicor whereby the affiliated company agreed to assign its mineral rights and interests to the Company under a Surface and Mineral Lease Agreement dated in October 2011 with J.H. Ranch, Inc. located in San Juan County, Utah. The Company agreed to perform all of the affiliated company's obligation under the Surface and Mineral Lease Agreement, including the payment of all lease payments, annual rents, advanced royalties, production royalties and other compensation as defined in the Agreement. The term of this agreement is 20 years.

The following schedule consists of the lease payment to Lessor based from the Agreement:

Due Date of Lease Payments from October 2011	**Amount of Lease Payment**
On or before the 30th day after the 1st Anniversary - paid	$ 42,500
On or before the 30th day after the 2nd Anniversary	$ 70,000
On or before the 30th day after the 3rd Anniversary	$ 87,500
On or before the 30th day after the 4th Anniversary as the 5th and final payment	$ 87,500

The Company is required under the terms of the Agreement to make annual rent payments commencing on or before the 30th day after the 5th anniversary and each year thereafter and shall pay $10 for each acre of land contained within the lease premises.

The following schedule consists of the advance royalty payments to Lessor based from the Agreement:

Due Date of Advance Royalty Payments from October 2011	**Amount of Advance Royalty Payment**
On or before the 30th day after the 1st Anniversary - paid	$ 42,500
On or before the 30th day after the 2nd Anniversary	$ 70,000
On or before the 30th day after the 3rd Anniversary	$ 87,500
On or before the 30th day after the 4th Anniversary as the 5th and final payment	$ 87,500

The Company shall pay a production royalty of 6.25% of the fair market value of all crude ores containing uranium, canadium and associated and related minerals mined and sold from the leased deposits. When production royalty payments from the sales of ores from the leased premises equal the cumulative amount due to Lessor as advanced royalty payment, the Company shall pay Lessor 12.5% of the fair market value as defined in the Agreement. In November 2012, the Company paid the lease payment and advance royalty payment due on the 1st anniversary of the agreement for a total of $85,000.

On January 30, 2012, the Company entered into a Mining Claim and Lease Sale/Purchase Agreement with Robert A. Larson whereby Mr. Larson sold and quitclaimed certain claims to the Company under a quitclaim deed and assigned the lease to the Company pursuant to a lease assignment in consideration for an aggregate purchase price One Hundred and Fifty Thousand Dollars ($150,000). Pursuant to the terms of the agreement and the Quitclaim Deed, the Company shall pay to Mr. Larson a Production Royalty, on a quarterly basis, equal to 5% of the fair market value (calculated pursuant to the terms of the Quitclaim Deed) of all crude ores containing uranium, vanadium and associated and related minerals mined and shipped or sold from the Claims or fed to "Initial Process" defined in the Quitclaim Deed as "any processing or milling procedure to up-grade, concentrate or refine crude ores, including custom milling or other processing arrangement whereby title to the crude ore and all products derived therefrom is retained by the Company. Such property is located in San Miguel County, Colorado consisting of 320 acres more or less. The term of the assigned lease shall be for a period of 10 years and the Company shall have the right to renew and extend for an additional 10 year period. Under the lease, the Company shall pay annual rent payments of $10 for each acre of land contained within the property. Once development, mining and/or production has commenced and defined areas for mining has been designated, the annual rent payment for that portion shall be $25 for each acre designated with the remaining acreage shall continue to be paid at $10 for each acre. The Company shall also pay surface damage as defined in the Lease Sale/Purchase Agreement.

Agreements Purchased from Pershing Gold Corporation

On June 11, 2012, the Company and Pershing executed the exercise of the Option, through the assignment of Pershing's wholly owned subsidiary, Acquisition Sub. As a result of the assignment, Acquisition Sub became a wholly owned subsidiary of the Company and the Company acquired all of Pershing's uranium assets including certain lease agreements in uranium mining claims in Arizona, California and North Dakota.

Uranium Lease Agreements

The Company acquired the following Uranium lease agreements:

1) Slope County, North Dakota, Lease 1 and 2

On June 28, 2007, through Acquisition Sub's majority owned subsidiary, Secure Energy, LLC, signed a 20 year mining lease to develop and operate 472.8 acres of uranium mining properties in the Slope County, North Dakota. The Company prepaid the annual payment of $10 per net acre for eight years amounting to $36,717 at the date of signing. The Company will pay a production royalty of $0.75 per pound of all uranium sales.

2) Slope County, North Dakota, Lease 3

On November 23, 2007, through Acquisition Sub's majority owned subsidiary, Secure Energy, LLC, the Company signed a 10 year mining lease, with the right to extend an additional 10 years, to develop and operate 554.24 acres of uranium mining properties in the Slope County, North Dakota. The Company prepaid the annual payment of $10 per net acre for ten years amounting to $53,775 at the date of signing. The Company will pay a production royalty of $0.75 per pound of all uranium sales or 5% of net proceeds from the sale of uranium bearing ores.

NOTE 7 – COMMITMENTS AND CONTINGENCIES (continued)

Uranium Royalty agreements

On June 11, 2012, through the assignment of Acquisition Sub, the Company purchased a 100% interest in 86 unpatented lode mining claims located in Mohave County, Arizona. The Company will pay a 3% net smelter returns royalty on all uranium sales. The Company shall have the right to reduce the royalty from 3% to 0% by paying the aggregate sum of $1,500,000 ($500,000 for each 1%).

On June 11, 2012, through the assignment of Acquisition Sub, the Company assumed the purchase and sale agreement with Absaroka Stone LLC to purchase certain unpatented mining claims commonly known as the "Uinta County (Carnotite) Uranium Prospect" located in the Uinta County of Wyoming. Pursuant to the terms of the agreement, Absaroka Stone LLC agreed not to stake for its own account any additional mining claims within a 15 mile radius of the property. Any additional mining claims to be located within a 15 mile radius of the property (the "Claim Body") were to be located, staked and filed by the Company, at its expense and held in its name. Such agreement requires a minimum of $200,000 relating to location, maintenance, exploration, development or equipping any one or more of the mining claims that comprise the Claim Body for commercial production within 24 months from the date of the agreement in May 2011. If the Company fails to incur a minimum of $200,000 in expenses related to the foregoing within 24 months, the Company shall pay an aggregate sum of $50,000 to Absaroka Stone LLC. Pursuant to the terms of the agreement, the Company would pay a 1% gross royalty to Absaroka Stone LLC on any revenues derived from the sale of all uranium-vanadium, gold, silver, copper and rare earth ores or concentrates produced from the Claim Body, up to an aggregate of $1,000,000. The Company has the option to eliminate the royalty obligations by paying Absaroka Stone LLC an aggregate payment of $1,000,000.

NOTE 8 – MARKETABLE SECURITIES

Marketable securities at June 30, 2013 consisted of the following:

	Cost	Gross Unrealized Gains/(losses)	Gross Realized Gains/(losses)	Fair Value
Publicly traded equity securities – available for sale	$ 125,000	(6,250)	(112,500)	$ 6,250

Available for sale securities are carried at fair value. Unrealized gains or losses on marketable securities - available for sale are recognized on a periodic basis as an element of comprehensive income based on changes in the fair value of the security. Once liquidated, realized gains or losses on the sale of marketable securities available for sale will be reflected in the Company's net loss for the period in which the security are liquidated. At the end of each period, the Company evaluates the carrying value of the marketable securities for a decrease in value. The Company evaluates the company underlying these marketable securities to determine whether a decline in fair value below the amortized cost basis is other than temporary. If the decline in fair value is judged to be "other- than- temporary", the cost basis of the individual security shall be written down to fair value as a new cost basis and the amount of the write-down is charged to earnings.

The Company has recorded unrealized loss of $6,250 as an element of comprehensive income during the six months ended June 30, 2013.

NOTE 9 – SUBSEQUENT EVENTS

On July 25, 2013, the Company granted an aggregate of 67,307 five-year options to purchase shares of common stock to four consultants who are employees of IP Nav. Such options shall vest 33% on the first year anniversary, 33% on the 2nd year anniversary and 34% on the third year anniversary. The exercise price was based on the $6.85 closing price of the Company's common stock on the date of grant.

On July 18, 2013, the Company filed a certificate of amendment to the Company's Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada in order to effectuate a reverse stock split of the issued and outstanding common stock, par value $0.0001 per share on a one (1) for thirteen (13) basis (the "Reverse Split"). The Reverse Split became effective with the FINRA at the open of business on July 22, 2013. As a result of the Reverse Stock Split, every thirteen shares of the pre-reverse split common stock will be combined and reclassified into one share of the Company's common stock. No fractional shares of common stock will be issued as a result of the Reverse Split. Stockholders who otherwise would be entitled to a fractional share shall receive the next highest number of whole shares.

On July 25, 2013, the Company granted 4,380 shares of common stock for legal services rendered. In connection with this transaction, the Company valued the shares at the fair market value on the date of grant at $6.85 per share or $30,000.

In August 2013, the Company sold an aggregate of 153,846 post-split (2,000,000 pre-split) units representing gross proceeds to the Company of $800,000 to certain accredited investors pursuant to a securities purchase agreement. Each unit was subscribed for a purchase price of $5.20 post-split ($0.40 pre-split) per unit and consists of: (i) one share of the Company's common stock (153,846 post-split common stock) and (ii) a three (3) year warrant to purchase half a share of the common stock (76,923 post-split warrants) at an exercise price of $6.50 post-split ($0.50 pre-split) per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events.

On July 29, 2013, the Company converted legal fees of $29,620 into 5,696 units. Each unit was subscribed for a purchase price of $5.20 post-split ($0.40 pre-split) per unit and consists of: (i) one share of the Company's common stock 5,696 post-split common stock) and (ii) a three (3) year warrant to purchase half a share of the common stock (2,848 post-split warrants) at an exercise price of $6.50 post-split ($0.50 pre-split) per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events.

On July 30, 2013, the Company issued 1,923 shares of common stock to a consultant in connection with the consulting agreement dated April 17, 2013. In connection with this transaction, the Company valued the shares at the fair market value on the date of grant at $7.00 per share.

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

This Report on Form 10-Q and other written and oral statements made from time to time by us may contain so-called "forward-looking statements," all of which are subject to risks and uncertainties. Forward-looking statements can be identified by the use of words such as "expects," "plans," "will," "forecasts," "projects," "intends," "estimates," and other words of similar meaning. One can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address our growth strategy, financial results and product and development programs. One must carefully consider any such statement and should understand that many factors could cause actual results to differ from our forward looking statements. These factors may include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward looking statement can be guaranteed and actual future results may vary materially.

Information regarding market and industry statistics contained in this Report is included based on information available to us that we believe is accurate. It is generally based on industry and other publications that are not produced for purposes of securities offerings or economic analysis. We have not reviewed or included data from all sources, and cannot assure investors of the accuracy or completeness of the data included in this Report. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties accompanying any estimates of future market size, revenue and market acceptance of products and services. We do not assume any obligation to update any forward-looking statement. As a result, investors should not place undue reliance on these forward-looking statements.

Overview

Marathon Patent Group, Inc. (the "Company" or "we") is a patent licensing company serving a wide range of patent owners from Fortune 500 companies to independent inventors. The Company provides its clients advice and services that enable them to realize financial and strategic returns on their intellectual property rights. Our operating subsidiaries acquire patent assets, partner with patent holders, and monetize patent portfolios through actively managed patent licensing campaigns.

Recent Events

Reverse Split

On May 31, 2013, shareholders holding a majority of our outstanding voting capital approved a reverse stock split of our issued and outstanding common stock by a ratio of not less than one-for-five and not more than one-for-fifteen at any time prior to April 30, 2014, with the exact ratio to be set at a whole number within this range as determined by our Board of Directors in its sole discretion. Per share numbers contained in this Prospectus do not reflect any reverse split ratio that may be adopted by our Board of Directors.

On July 18, 2013, we filed a certificate of amendment to our Amended and Restated Articles of Incorporation with the Secretary of State of the State of Nevada in order to effectuate a reverse stock split of our issued and outstanding common stock, par value $0.0001 per share on a one (1) for thirteen (13) basis (the "Reverse Split"). The Reverse Split became effective with the FINRA at the open of business on July 22, 2013. As a result of the Reverse Stock Split, every thirteen shares of our pre-reverse split common stock will be combined and reclassified into one share of our common stock. No fractional shares of common stock will be issued as a result of the Reverse Split. Stockholders who otherwise would be entitled to a fractional share shall receive the next highest number of whole shares.

Throughout this Report, each instance which refers to a number of shares of our common stock, refers to the number of shares of common stock after giving effect to the Reverse Split, unless otherwise indicated.

Private Placement

On May 31, 2013, we sold an aggregate of 999,998 units representing gross proceeds of $5,200,000 to certain accredited investors pursuant to a securities purchase agreement. Each unit was subscribed for a purchase price of $5.20 per unit and consists of: (i) one share of our common stock, and (ii) a three (3) year warrant to purchase one half share of our common stock at an exercise price of $6.50 per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. The warrants contain limitations on the holders' ability to exercise the warrants in the event such exercise causes the holder to beneficially own in excess of 9.99% of our issued and outstanding common stock. The Company paid placement agent fees of $170,000 to two broker-dealers in connection with the sale of the units of which $30,000 was previously paid by us as a retainer. On July 29, 2013, we converted legal fees of $29,620 into 5,696 units. In July 2013, two investors who had subscribed for an aggregate of 153,846 units for an aggregate purchase price of $800,000 assigned their subscriptions to other investors. Such other investors each funded their subscriptions and such additional units were issued.

Cyberfone Acquisition

On April 22, 2013, CyberFone Acquisition Corp. ("CyberFone Acquisition Corp."), a Texas corporation and our newly formed wholly owned subsidiary entered into a merger agreement (the "CyberFone Agreement") with CyberFone Systems LLC, a Texas limited liability company ("CyberFone Systems"), TechDev Holdings LLC ("TechDev") and The Spangenberg Family Foundation for the Benefit of Children's Healthcare and Education ("Spangenberg Foundation"). TechDev and Spangenberg Foundation owned 100% of the membership interests of CyberFone Systems (collectively, the 'CyberFone Sellers").

CyberFone Systems owns a foundational patent portfolio that includes claims that provide specific transactional data processing, telecommunications, network and database inventions, including financial transactions. The portfolio, which has a large and established licensing base, consists of ten United States patents and 27 foreign patents and one patent pending. The patent rights that cover digital communications and data transaction processing are foundational to certain applications in the wireless, telecommunications, financial and other industries. IP Navigation Group LLC ("IP Nav"), a company founded by Erich Spangenberg and associated with the CyberFone Sellers will continue to support and manage the portfolio of patents and retain a contingent participation interest in all recoveries. IP Nav provides patent monetization and support services under an existing agreement with CyberFone Systems.

Pursuant to the terms of the CyberFone Agreement, CyberFone Systems merged with and into CyberFone Acquisition Corp with CyberFone Systems surviving the merger as our wholly owned subsidiary. We (i) issued 461,538 post-split (6,000,000 pre-split) shares of common stock to the CyberFone Sellers, (ii) paid the CyberFone Sellers $500,000 cash and (iii) issued a $500,000 promissory note to TechDev (the "Note"). On June 21, 2013, we paid $500,000 to TechDev in satisfaction of the note.

TQP Agreement

On May 1, 2013, TQP Acquisition Corp. entered into a merger agreement (the "TQP Agreement") with TQP Development LLC, and the TQP Sellers. The closing of the transactions contemplated under the TQP Agreement is subject to customary closing conditions as well as the trigger financing within 45 days. The Company did not consummate the trigger financing and thus, the TQP Agreement has been terminated.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies affect the significant judgments and estimates used in the preparation of the financial statements.

Principles of Consolidation

The condensed consolidated financial statements are prepared in accordance with US GAAP and present the financial statements of the Company and our wholly-owned subsidiary. In the preparation of our consolidated financial statements, intercompany transactions and balances are eliminated.

Development Stage Companies

We are a development stage company. Activities during the development stage include organizing the business, raising capital, enforcement and development of our intellectual property and acquiring additional intellectual property. We are a development stage company with insignificant revenues and no profits from its planned principal operations. We have not commenced significant operations and, in accordance with ASC Topic 915 "Development Stage Entities", is considered a development stage company.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management include, but are not limited to, the assumptions used to calculate fair value of warrants granted, common stock issued for services, common stock issued in connection with an option agreement, common stock issued for acquisition of patents, and the valuation of mineral rights.

Fair Value of Financial Instruments

We adopted Financial Accounting Standards Board ("FASB") ASC 820, "Fair Value Measurements and Disclosures", for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing US GAAP that require the use of fair value measurements which establishes a framework for measuring fair value and expands disclosure about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

In addition, FASB ASC 825-10-25 "Fair Value Option" was effective for January 1, 2008. ASC 825-10-25 expands opportunities to use fair value measurements in financial reporting and permits entities to choose to measure many financial instruments and certain other items at fair value.

Stock-based Compensation

Stock-based compensation is accounted for based on the requirements of the Share-Based Payment Topic of ASC 718 which requires recognition in the consolidated financial statements of the cost of employee and director services received in exchange for an award of equity instruments over the period the employee or director is required to perform the services in exchange for the award (presumptively, the vesting period). The ASC also requires measurement of the cost of employee and director services received in exchange for an award based on the grant-date fair value of the award.

Pursuant to ASC Topic 505-50, for share-based payments to consultants and other third-parties, compensation expense is determined at the “measurement date.” The expense is recognized over the vesting period of the award. Until the measurement date is reached, the total amount of compensation expense remains uncertain. The Company initially records compensation expense based on the fair value of the award at the reporting date.

Long-Lived Assets

We review for impairment whenever events or circumstances indicate that the carrying amount of assets may not be recoverable, pursuant to guidance established in ASC 360-10-35-15, “Impairment or Disposal of Long-Lived Assets”. We recognize an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset’s estimated fair value and its book value.

Recent Accounting Pronouncements

Other accounting standards that have been issued or proposed by the FASB that do not require adoption until a future date are not expected to have a material impact on the financial statements upon adoption.

Results of Operations

Our business began on April 30, 2011. We are still in our development stage and have generated insignificant revenues to date in connection with our current patent business.

For the Three and Six months ended June 30, 2013 and 2012

We generated revenues of $1,524,979 during the three and six months ended June 30, 2013 as compared to no revenue during the three and six months ended June 30, 2012. Revenues from patent enforcement activities accounted for 100% of our revenues for the three and six months ended June 30, 2013. Included in revenues are non-cash revenue in connection with a settlement and license agreement dated May 6, 2013 whereby the customer agreed to assign and transfer to us 3 US patents and rights valued at $1,000,000 in lieu of cash payment.

Cost of revenues during the three and six months ended June 30, 2013 amounted to $760,305 which mainly includes expenses incurred in connection with our patent enforcement activities, such as legal fees, consulting costs, patent maintenance, royalty fees for acquired patents and other related expenses, as well as, the amortization of acquired patents. Our gross profit margin during the three and six months ended June 30, 2013 was approximately 50%.

We incurred operating expenses of $2,299,143 and $3,341,727 for the six months ended June 30, 2013 and 2012, respectively, a decrease of $1,042,584 or 31%. We incurred operating expenses of $1,584,766 and $284,153 for the three months ended June 30, 2013 and 2012, respectively, an increase of $1,300,613 or 458%. These expenses primarily consisted of general expenses, compensation to our officers, directors and employees, professional fees and consulting incurred in connection with the day to day operation of our business. The operating expenses consisted of the following:

	For the Three Months ended June 30, 2013	For the Three Months ended June 30, 2012	For the Six Months ended June 30, 2013	For the Six Months ended June 30, 2012
Travel and related expenses	$ 26,598	$ 16,812	$ 54,916	$ 80,791
Professional fees	289,752	107,464	448,224	370,203
Compensation and related taxes	1,041,353	81,449	1,468,028	922,392
Consulting fees	130,685	27,171	175,909	1,856,594
Other general and administrative	96,378	51,257	152,066	111,747
Total	$ 1,584,766	$ 284,153	$ 2,299,143	$ 3,341,727

- Travel and related expenses: Travel expenses were $54,916 and $80,791 during the six months ended June 30, 2013 and 2012, respectively, a decrease of $25,875 or 32%. This decrease is due to a decrease in business development related travel. Travel expenses were $26,598 and $16,812 during the three months ended June 30, 2013 and 2012, respectively, an increase of $9,786 or 58%.

- Professional fees: For the six months ended June 30, 2013 and 2012, professional fees were $448,224 and $370,203, respectively, an increase of $78,021 or 21%. For the three months ended June 30, 2013 and 2012, professional fees were $289,752 and $107,464, respectively, an increase of $182,288 or 170%. Professional fees include fees incurred for audits and legal fees related to public company filing requirements. The increase is primarily due to an increase in accounting and legal fees related to public company filing and reporting requirements.

- Consulting fees: For the six months ended June 30, 2013 and 2012, we incurred consulting fees of $175,909, and $1,856,594, respectively, a decrease of $1,680,685 or 91%, which is primarily attributable to a decrease in stock based consulting expense of approximately $1.7 million in connection with warrant grants to consultants for consulting on strategic acquisitions and advice on capital restructuring during the six months ended June 30, 2012. For the three months ended June 30, 2013 and 2012, we incurred consulting fees of $130,685, and $27,171, respectively, an increase of $103,514 or 381%, which is primarily attributable to an increase in hiring of consultants for investor relations and business advisory services in fiscal 2013.

- Compensation expense and related taxes: Compensation expense includes salaries and stock-based compensation to our employees. For the six months ended June 30, 2013 and 2012, compensation expense and related payroll taxes were $1,468,028 and $922,392, respectively, an increase of $545,636 or 59%. For the three months ended June 30, 2013 and 2012, compensation expense and related payroll taxes were $1,041,353 and $81,449, respectively, an increase of $959,904 or 1,179%.
  The increase is primarily attributable to an increase in stock based compensation of approximately $751,000 in connection with warrant and option grants to our directors and officers and an increase in salaries due to hiring our executive and management employees and support staff during the first quarter of 2013.

- Other general and administrative expenses: For the six months ended June 30, 2013 and 2012, other general and administrative expenses were $152,066 and $111,747, respectively, an increase of $40,319 or 36%. For the three months ended June 30, 2013 and 2012, other general and administrative expenses were $96,378 and $51,257, respectively, an increase of $45,121 or 88%. Other general and administrative expenses include postage, general insurance, automobile, office supplies, utilities, rent expense and office expenses. Such increase is primarily attributable to an increase in operations.

Operating Loss from Continuing Operations

We reported an operating loss from continuing operations of $1,534,469 and $3,341,727 for the six months ended June 30, 2013 and 2012, respectively, a decrease of $1,807,258 or 54%. The decrease in operating loss was due to the increase in gross profit as described above. We reported an operating loss from continuing operations of $820,092 and $284,153 for the three months ended June 30, 2013 and 2012, respectively, an increase of $535,939 or 189%. The increase in operating loss was due to an increase in operating expenses offset by the increase in gross profit as described above.

Other Income

Total other income was $181 and $125,173 for the six months ended June 30, 2013 and 2012, respectively, a decrease of $124,992 or 99%. On March 19, 2012, we entered into an agreement with California Gold, pursuant to which we agreed to provide California Gold with a geological review on or prior to March 30, 2012, of our certain uranium properties in consideration for $125,000. We do not have a comparable other income during the six months ended June 30, 2013. Total other income was $120 and $173 for the three months ended June 30, 2013 and 2012, respectively, a decrease of $53 or 31%.

Discontinued Operations

During June 2012, we decided to discontinue our exploration and potential development of uranium and vanadium minerals business and prior periods have been restated in our consolidated financial statements and related footnotes to conform to this presentation. Subsequently, in November 2012, we decided to discontinue our real estate business and we intend to sell and dispose our remaining real estate holdings during fiscal 2013. We are now engage in the acquisition, development and monetization of intellectual property through both the prosecution and licensing of our own patent portfolio, the acquisition of additional intellectual property or partnering with others to defend and enforce their patent rights.

The following table indicates selected financial data of our discontinued operations of our uranium and vanadium minerals business and real estate business.

	For the Three Months ended June 30, 2013	For the Three Months ended June 30, 2012	For the Six Months ended June 30, 2013	For the Six Months ended June 30, 2012
Revenues – real estate	$ 283,966	$ -	$ 1,270,916	$ -
Cost of sales- real estate	(243,837)	-	(1,061,320)	-
Gross profit	40,129	-	209,596	-
Operating and other non-operating expenses	(30,656)	(1,302,620)	(91,343)	(1,329,925)
Income (loss) from discontinued operations	$ 9,473	$ (1,302,620)	$ 118,253	$ (1,329,925)

Net loss

We reported a net loss of $1,416,035 or $(0.37) per common shares - basic and diluted and $4,546,378 or $(1.64) per common share - basic and diluted, respectively, for the six months ended June 30, 2013 and 2012, respectively, a decrease of 3,130,343 or 69%. We reported a net loss of $810,499 or $(0.19) per common shares - basic and diluted and $1,586,499 or $(0.50) per common share - basic and diluted, respectively, for the three months ended June 30, 2013 and 2012, respectively, a decrease of $776,000 or 49%.

Liquidity and Capital Resources

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. At June 30, 2013, we had a cash balance of $6,391,293 and working capital of $6,669,928. During the six months ended June 30, 2013, we have been funding our operations through the sale of our common stock, the revenues generated from patent enforcement activities and the sale of our remaining real estate properties which is included in our discontinued operations. We received net proceeds from the sale of our common stock of $5,055,000 during the six months ended June 30, 2013.

We may be required to raise additional funds, particularly if we are unable to generate positive cash flow as a result of our operations. We estimate that based on current plans and assumptions, that our available cash is sufficient to satisfy our cash requirements under our present operating expectations for at least the next twelve months. We presently have no other alternative source of working capital. We may not have sufficient working capital to fund the expansion of our operations and to provide working capital necessary for our ongoing operations and obligations after 12 months. We have not generated revenues to support our current daily operations from the inception of development stage. We may need to raise significant additional capital to fund our future operating expenses, pay our obligations, and grow our Company. Although we generated revenue during the six months ended June 30, 2013, such revenue is not sufficient to fund our ongoing operations. Therefore our future operations will be dependent on our ability to secure additional financing. Financing transactions may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. The trading price of our common stock could make it more difficult to obtain financing through the issuance of equity or debt securities. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses, or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our common stock. Our inability to obtain additional capital may restrict our ability to grow and may reduce our ability to continue to conduct business operations. If we are unable to obtain additional financing, we will likely be required to curtail our development plans and possibly cease our operations.

Operating Activities

We have not generated positive cash flows from operating activities. For the six months ended June 30, 2013, net cash flows used in operating activities was $693,446 and was primarily attributable to our net loss of $1,416,035, adjusted for non-cash items such as stock based compensation of $1,053,521, amortization and depreciation expense of $476,791 and total changes in assets and liabilities of $192,277 primarily attributable to a decrease in prepaid expenses of $24,414, decrease in assets of discontinued operations of $82,145, increase in accounts payable and accrued expenses of $335,718 offset by an increase in accounts receivable of $250,000.

For the six month period ended June 30, 2012, net cash flows used in operating activities was $655,775 and was primarily attributable to our net loss of $4,546,378, adjusted for the add-back of non-cash items such as stock based compensation of $2,598,438, impairment of mining rights and assets of discontinued operations of $1,286,248 and other income of $125,000, and total changes in assets and liabilities of $56,018 primarily attributable to an increase in prepaid expenses of $71,600, and increase in accounts payable and accrued expenses of $103,703.

Investing Activities

Net cash flows provided by investing activities were $175,570 in connection with the sale of real estate property of $1,052,320 offset by acquisition of patents of $350,000, acquisition of CyberFone Systems of $500,000, capitalized cost related to improvements of real estate property of $16,750 and purchase of property and equipment of $10,000 during the six months ended June 30, 2013.

Net cash flows used in investing activities were $712,074 in connection with acquisition of mineral rights of $325,000, investment in note receivable of $133,058 and acquisition of real estate property of $254,016 during the six months ended June 30, 2012.

Financing Activities

Net cash flows provided by financing activities were $4,555,000 in connection with net proceeds from sale of our common stock of $5,055,000 offset by $500,000 payment of note payable related to the CyberFone acquisition during the six months ended June 30, 2013. Net cash flows provided by financing activities were $4,553,991 for the six months ended June 30, 2012. We received net proceeds from the sale of our stocks of $5,768,965 offset by payment on notes payable of $1,082,974 and payments of $132,000 in connection with the rescission agreement.

Contractual Obligations

We have certain fixed contractual obligations and commitments that include future estimated payments. Changes in our business needs, cancellation provisions, changing interest rates, and other factors may result in actual payments differing from the estimates. We cannot provide certainty regarding the timing and amounts of payments. We have presented below a summary of the most significant assumptions used in our determination of amounts presented in the tables, in order to assist in the review of this information within the context of our consolidated financial position, results of operation, and cash flows.

The following table summarizes our contractual obligations as of June 30, 2013, and the effect these obligations are expected to have on our liquidity and cash flows in future periods:

	Payments Due By Period				
	Total	**Less than 1 year**	**1-3 Years**	**4-5 Years**	**6- 10 Years**
Contractual Obligations:					
Uranium lease agreements	838,720	76,400	276,690	190,580	295,050
Uranium Royalty agreement – minimum payments	770,000	70,000	262,500	175,000	262,500
Total Contractual Obligations	$1,608,720	$ 146,400	$539,190	$365,580	$ 557,550

Off-balance Sheet Arrangements

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as stockholder’s equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not required for smaller reporting companies.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures.

We maintain “disclosure controls and procedures,” as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

With respect to the quarterly period ended June 30, 2013, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operations of our disclosure controls and procedures. Based upon this evaluation, the Company's management has concluded that certain disclosure controls and procedures were not effective as of June 30, 2013 due to the Company's limited internal resources and lack of ability to have multiple levels of transaction review. However, to the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals. We believe that the foregoing steps will remediate the significant deficiency identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate.

Management is in the process of determining how best to change our current system and implement a more effective system to insure that information required to be disclosed in this quarterly report on Form 10-Q has been recorded, processed, summarized and reported accurately. Our management acknowledges the existence of this problem, and intends to developed procedures to address them to the extent possible given limitations in financial and manpower resources. While management is working on a plan, no assurance can be made at this point that the implementation of such controls and procedures will be completed in a timely manner or that they will be adequate once implemented.

Changes in Internal Controls.

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

In the ordinary course of business, we actively pursue legal remedies to enforce our intellectual property rights and to stop unauthorized use of our technology. Other than ordinary routine litigation incidental to the business, we know of no material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder are an adverse party or has a material interest adverse to us.

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

In April 2013, we sold an aggregate of 2,404 units with gross proceeds to us of $25,000 to a certain accredited investor pursuant to a subscription agreement. Each unit was sold for a purchase price of $10.4 per unit and consists of: (i) two shares of the Company's common stock and (ii) a five-year warrant to purchase an additional share of common stock at an exercise price of $7.80 per share, subject to adjustment upon the occurrence of certain events such as stock splits and dividends. The warrants may be exercised on a cashless basis. The above referenced securities were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act and corresponding provisions of state securities laws.

On April 22, 2013, CyberFone Acquisition Corp., entered into the CyberFone Merger Agreement with CyberFone Systems, TechDev and Spangenberg Foundation. Pursuant to the terms of the Merger Agreement, CyberFone Systems merged with and into CyberFone Acquisition Corp with CyberFone Systems surviving the merger as our wholly owned subsidiary. We (i) issued 461,538 shares of common stock to the CyberFone Sellers (the "CyberFone Merger Shares"), (ii) paid the CyberFone Sellers $500,000 cash and (iii) issued a $500,000 promissory note to TechDev (the "TechDev Note"). The TechDev Note is non-interest bearing and becomes due June 22, 2013, subject to acceleration in the event of default. We may prepay the TechDev Note at any time without premium or penalty. The transaction did not involve any underwriters, underwriting discounts or commissions, or any public offering. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On May 31, 2013, we sold an aggregate of 999,998 units representing gross proceeds of $5,200,000 to certain accredited investors pursuant to a securities purchase agreement. Each unit was subscribed for a purchase price of $5.20 per unit and consists of: (i) one share of our common stock, and (ii) a three (3) year warrant to purchase one half share of our common stock at an exercise price of $6.50 per share, subject to adjustment upon the occurrence of certain events such as stock splits and stock dividends and similar events. The warrants contain limitations on the holders' ability to exercise the warrants in the event such exercise causes the holder to beneficially own in excess of 9.99% of our issued and outstanding common stock. The Company paid placement agent fees of $170,000 to two broker-dealers in connection with the sale of the units of which $30,000 was previously paid by us as a retainer. On July 29, 2013, we converted legal fees of $29,620 into 5,696 units. In July 2013, two investors who had subscribed for an aggregate of 153,846 units for an aggregate purchase price of $800,000 assigned their subscriptions to other investors. The investors each funded their subscriptions and such units were issued in August 2013. The above referenced securities were offered and sold in reliance on the exemption from registration afforded by Section 4(2) and Regulation D (Rule 506) under the Securities Act and corresponding provisions of state securities laws.

On June 11, 2013, we granted options to purchase 15,385 shares of common stock exercisable at $5.33 post-split per share to a consultant for legal services. The options shall vest pro rata monthly over the following 24 month period. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On June 11, 2013, we issued options to purchase 176,923 shares of common stock and 96,154 shares of restricted stock to certain officers and directors. The options are exercisable at $5.265 per share. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On June 19, 2013, we issued options to purchase 61,538 shares of our common stock to certain employees, including 38,462 options to Mr. James Crawford, the Company's Chief Operating Officer. The stock options have an exercise price of $4.94 per share. The options issued to Mr. Crawford are conditioned upon the cancellation of the stock options granted to him on March 1, 2013 under his employment agreement. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On July 24, 2013, our Board of Directors approved the issuance of 67,308 shares to two consultants in consideration for consulting services. Our Board of Directors also approved the issuance of issuance of options to purchase an aggregate of 67,307 shares of our common stock to certain consultants in consideration for consulting services. The options shall vest 33%, 33% and 34% on each annual anniversary of the date of issuance. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On July 30, 2013, we issued 13,462 shares of our common stock to a consultant in consideration for consulting services, of which 7,692 shares of common stock vested immediately and the remaining 23,077 shares of common stock shall vest in increments of 1,923 at the end of each month over a 12 month period. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On July 30, 2013, we issued 23,077 shares of common stock to a consultant in consideration for consulting services. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) thereof, as a transaction by an issuer not involving a public offering.

On July 25, 2013, we issued 4,380 shares of our common stock pursuant to a conversion of $30,000 cash payment owed to certain legal service provider, based on the $6.85 closing price as of July 25, 2013. The issuance of these securities was deemed to be exempt from the registration requirements of the Securities Act of 1933 by virtue of Regulation S, as a transaction made outside of the United States.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.ins	XBRL Instance Document**
101.sch	XBRL Taxonomy Schema Document**
101.cal	XBRL Taxonomy Calculation Document**
101.def	XBRL Taxonomy Linkbase Document**
101.lab	XBRL Taxonomy Label Linkbase Document**
101.pre	XBRL Taxonomy Presentation Linkbase Document**

* Filed herein

** In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Amendment to our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013 shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 14, 2013

MARATHON PATENT GROUP, INC.

By: /s/ Doug Croxall
Name: Doug Croxall
Title: Chief Executive Officer and Chairman
(Principal Executive Officer)

By: /s/ John Stetson
Name: John Stetson
Title: Chief Financial Officer, Secretary and Director
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Doug Croxall, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marathon Patent Group, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

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

4. The registrant's other certifying officer 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 controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly for the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant'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;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the registrant'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 registrant's internal controls over financial reporting.

Date: August 14, 2013

By: /s/ Doug Croxall
Doug Croxall
Chief Executive Officer and Chairman (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Stetson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marathon Patent Group, Inc.;

2. Based on my knowledge, this quarterly 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 quarterly report;

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

4. The registrant's other certifying officer 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 controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly for the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant'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;

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the registrant'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 registrant's internal controls over financial reporting.

Date: August 14, 2013

By: /s/ John Stetson
John Stetson
Chief Financial Officer, Secretary and Director (Principal Financial Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Marathon Patent Group, Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Doug Croxall, Chief Executive Officer and Chairman (Principal Executive Officer) of the Company, certifies, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

(1) 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.

Date: August 14, 2013

By: /s/ Doug Croxall
Doug Croxall
Chief Executive Officer and Chairman (Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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

In connection with the Quarterly Report of Marathon Patent Group, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), John Stetson, Chief Financial Officer, Secretary and Director (Principal Financial Officer) of the Company, certifies, pursuant to 18 U.S.C. section 1350 of the Sarbanes-Oxley Act of 2002, that:

(1) 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.

Date: August 14, 2013

By: /s/ John Stetson
John Stetson
Chief Financial Officer, Secretary and Director
(Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.