UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

Amendment No. 1

____

(Mark One)

þ QUARTERLY Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 2016

o TRANSITION Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____________ to _______________

Commission File Number 001-33937

Live Ventures Incorporated

(Exact name of registrant as specified in its charter)

Nevada	**85-0206668**

(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
325 E. Warm Springs Road, Suite 102 **Las Vegas, Nevada** (Address of principal executive offices)	**89119** (Zip Code)

(702) 939-0231

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

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 o	Accelerated filer o
Non-accelerated filer o (do not check if a smaller reporting company)	Smaller reporting company þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

The number of shares of the issuer's common stock, par value $.001 per share, outstanding as of January 31, 2017 was 2,055,876.

EXPLANATORY NOTE

We are filing this Amendment No. 1 on Form 10-Q/A to amend and restate in their entirety the following items of our Quarterly Report on Form 10-Q for the quarter ended December 31, 2016 as originally filed with the Securities and Exchange Commission on February 9, 2017 (the “Original Form 10-Q”): (i) Item 1 of Part I “Financial Information,” (ii) Item 2 of Part I, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and (iii) Item 6 of Part II, “Exhibits”, and we have also updated the signature page, the certifications of our Chief Executive Officer and Chief Financial Officer in Exhibits 31.1, 31.2, 32.1 and 32.2, and our financial statements formatted in Extensible Business Reporting Language (XBRL) in Exhibits 101. No other sections were affected, but for the convenience of the reader, this report on Form 10-Q/A restates in its entirety, as amended, our Original Form 10-Q. This report on Form 10-Q/A is presented as of the filing date of the Original Form 10-Q and does not reflect events occurring after that date or modify or update disclosures in any way other than as required to reflect the restatement described below.

Our previously issued consolidated financial statements for the quarterly period ended December 31, 2016 has been reclassified and restated. As described in more detail in Note 3 to our consolidated financial statements, we have determined that our previously reported results for the quarter ended December 31, 2016 erroneously (i) classified certain debt of our subsidiaries Marquis Industries, Inc. (“Marquis”) and Vintage Stock, Inc. (“Vintage Stock”) as long-term debt when it should have been classified as short-term debt, (ii) characterized deposits (advance payments) on the purchase of Marquis carpet manufacturing equipment and the related cash flow presentation (operating versus investing), (iii) accounted for the down round provisions contained in certain convertible notes and related warrants we issued in 2012, 2013 and 2014, which warrants were subsequently amended to remove such provisions in December 2014, (iv) classified certain amounts relating to shares of our Series E Preferred Stock, (v) classified certain prepaid expenses and other current assets as receivables, and (vi) classified the seller financing provided by the sellers of Vintage Stock as a cash flow activity in the statement of cash flows. We have made necessary conforming changes in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” resulting from the correction of these errors.

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FINANCIAL INFORMATION

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

LIVE VENTURES INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2016 (Restated) (Unaudited)	September 30, 2016
Assets		
Cash and cash equivalents	$1,586,753	$770,895
Trade receivables, net	7,586,739	7,602,764
Inventories, net	32,448,126	11,053,085
Prepaid expenses and other current assets	4,694,790	5,792,018
Total current assets	46,316,408	25,218,762
Property and equipment, net	20,094,350	14,014,501
Deposits and other assets	75,330	19,765
Deferred taxes	11,756,447	12,524,582
Intangible assets, net	3,029,371	1,689,790
Goodwill	39,066,061	–
Total assets	$120,337,967	$53,467,400
Liabilities and Stockholders' Equity		
Liabilities:		
Accounts payable	$9,024,776	$5,402,654
Accrued liabilities	6,789,818	6,396,772
Income taxes payable	–	–
Current portion of long-term debt	20,505,143	2,011,880
Total current liabilities	36,319,737	13,811,306
Long-term debt, net of current portion	53,008,381	13,460,282
Note payable, related party	2,000,000	2,000,000
Total Liabilities	91,328,118	29,271,588

Commitment and contingencies	–	–
Stockholders' equity:		
Series B convertible preferred stock, $0.001 par value, 1,000,000 shares authorized, 214,244 shares issued and outstanding at December 31, 2016 and 0 shares issued and outstanding at September 30, 2016	214	–
Series E convertible preferred stock, $0.001 par value, 200,000 shares authorized, 127,840 shares issued and outstanding at December 31, 2016 and September 30, 2016, liquidation preference $38,352	128	128
Common stock, $0.001 par value, 10,000,000 shares authorized, 2,085,998 shares issued and 2,055,876 shares outstanding at December 31, 2016; 2,819,327 shares issued and 2,789,205 shares outstanding at September 30, 2016	2,086	2,819
Paid in capital	62,954,933	59,568,471
Treasury stock (30,122 shares)	(300,027)	(300,027)
Accumulated deficit	(33,647,485)	(35,075,579)
Total equity	29,009,849	24,195,812
Total liabilities and equity	$ 120,337,967	$ 53,467,400

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

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LIVE VENTURES INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

	Three Months Ended December 31,	
	2016	2015
Revenues	$32,188,664	$20,104,434
Cost of revenues	19,543,432	13,694,559
Gross profit	12,645,232	6,409,875
Operating expenses:		
General and administrative expenses	7,058,674	2,365,873
Sales and marketing expenses	1,907,490	2,996,750
Total operating expenses	8,966,164	5,362,623
Operating income	3,679,068	1,047,252
Other income (expense):		
Interest expense, net	(1,449,476)	(345,483)
Other income	41,890	12,553
Total other income (expense), net	(1,407,586)	(332,930)
Income before provision for income taxes	2,271,482	714,322
Provision for income taxes		
Current tax expense:		
Federal	30,431	353,691
State	44,343	60,289
Total Current tax expense	74,774	413,980
Deferred tax expense:		
Federal	707,492	–
State	60,643	–
Total Deferred tax expense	768,135	–
Total provision (benefit) for income taxes	842,909	413,980
Net income	1,428,573	300,342
Net income attributed to noncontrolling interest	–	124,194
Net income attributed to Live Ventures, Incorporated	$1,428,573	$176,148
Earnings per share:		
Basic	$0.71	$0.06
Diluted	$0.37	$0.05
Weighted average common shares outstanding:		
Basic	1,999,983	2,817,516
Diluted	3,833,523	3,309,782

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

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LIVE VENTURES INCORPORATED AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Three Months Ended December 31, 2016 (Restated)	2015
OPERATING ACTIVITIES:		
Net income	$1,428,573	$300,342
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	935,047	545,832
Amortization of debt issuance cost	40,136	4,954
Stock based compensation expense	1,443	91,227
Non-cash issuance of common stock for services	–	7,500
Provision for uncollectible accounts	66	3,353
Reserve for obsolete inventory	83,613	32,097
Change in deferred taxes	768,135	–
Changes in assets and liabilities:		
Accounts receivable	129,459	1,327,208
Prepaid expenses and other current assets	140,826	356,751
Inventories	(1,318,562)	182,270
Deposits and other assets	(55,565)	55
Accounts payable	(221,388)	632,708
Accrued liabilities	1,246,047	(697,589)
Income tax payable	–	(52,020)
Net cash provided by operating activities	3,177,830	2,734,688
INVESTING ACTIVITIES:		
Acquisition of business, net of cash acquired and seller financing provided	(47,310,900)	–
Purchases of property and equipment	(3,052,298)	(94,439)
Net cash used in investing activities	(50,363,198)	(94,439)
FINANCING ACTIVITIES:		
Net borrowings under revolver loans	14,056,099	540,354
Payments of debt issuance costs	(1,155,000)	–
Payment for the purchase of the noncontrolling interest	–	(1,500,000)
Proceeds from issuance of notes payable	35,889,321	–
Payments on notes payable	(789,194)	(238,836)
Payments on notes payable, related party	–	(845,566)

Net cash provided by (used in) financing activities	48,001,226	(2,044,048)
INCREASE IN CASH AND CASH EQUIVALENTS	815,858	596,201
CASH AND CASH EQUIVALENTS, beginning of period	770,895	2,727,818
CASH AND CASH EQUIVALENTS, end of period	$1,586,753	$3,324,019
Supplemental cash flow disclosures:		
Interest paid	$790,580	$345,483
Income taxes paid	$–	$466,000
Noncash financing and investing activities:		
Notes payable issued to sellers of Vintage Stock	$10,000,000	–
Restated equipment deposit as a purchase of equipment in fiscal 2016	$(1,816,555)	$–
Conversion of accrued expense liabilities into common stock	$3,384,500	$–
Accrued and unpaid dividends	$479	$480
Note payable issued for purchase of noncontrolling interest	$–	$500,000

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

LIVE VENTURES INCORPORATED AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2016 AND 2015

Note 1: Background and Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of Live Ventures, Incorporated, a Nevada corporation, and its subsidiaries (collectively the "Company"). Commencing in fiscal year 2015, the Company began a strategic shift in its business plan away from providing online marketing solutions for small and medium business to acquiring profitable companies in various industries that have demonstrated a strong history of earnings power. The company continues to actively develop, revise and evaluate its products, services and its marketing strategies in its businesses. The Company has three operating segments Manufacturing, Retail and Online – (our new name for - Marketplace Platform segment) and Services. Under the Live Ventures brand the Company seeks opportunities to acquire profitable and well-managed companies. The Company believes that with the proper positioning and its investment capital these companies can become very profitable. With its acquisition of Marquis Industries, Inc., the Company became engaged in the manufacture and sale of carpet and the sale of vinyl and wood floorcoverings. With its acquisition of Vintage Stock, Inc., the Company has expanded its engagement in the retail space with the sale of new and used movies, music, collectibles, comics, books, games, game systems and components.

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for audited financial statements. In the opinion of the Company's management, this interim information includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. The results of operations for three months ended December 31, 2016 are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 2017. The accompanying note disclosures related to the interim financial information included herein are also unaudited. This financial information should be read in conjunction with the consolidated financial statements and related notes thereto as of September 30, 2016 and for the fiscal year then ended included in the Company's Annual Report on Form 10-K filed with the SEC on December 29, 2016.

All data for common stock, options and warrants have been adjusted to reflect the 1-for-6 reverse stock split (which took effect on December 5, 2016) for all periods presented. In addition, all common stock prices, and per share data for all periods presented have been adjusted to reflect the 1-for-6 reverse stock split.

Note 2: Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying condensed consolidated financial statements represent the consolidated financial position, results of operations and cash flows of Live Ventures Incorporated and its wholly-owned subsidiaries. In addition, on July 6, 2015, The Company acquired 80% of Marquis Industries, Inc. and subsidiaries ("Marquis"). The results of Marquis have been included in the consolidated financial statements of the Company since that date. Effective November 30, 2015, the Company acquired the remaining 20% of Marquis. On November 3, 2016, the Company acquired 100% of Vintage Stock, Inc. through is newly formed, wholly-owned subsidiary, Vintage Stock Affiliated Holdings LLC. All intercompany transactions and balances have been eliminated in consolidation.

Non-Controlling Interest

On July 6, 2015, the Company, through Marquis Affiliated Holdings, LLC, a wholly owned subsidiary of the Company, acquired 80% interest in Marquis. The transaction was accounted for under the acquisition method of accounting, with the purchase price allocated based on the fair value of the individual assets acquired and liabilities assumed.

The Company follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810, "*Consolidation,*" which governs the accounting for and reporting of non-controlling interests ("NCI's") in partially owned consolidated subsidiaries and the loss control of subsidiaries. Certain provisions of this standard indicate, among other things, that NCI's be treated as a separate component of equity, not as a liability, that increases and decreases in the parent's ownership interest that leave control intact be treated as an equity transaction rather than as step acquisitions or dilution gains or losses, and that losses of a partially owned consolidated subsidiary be allocated to the NCI even when such allocation might result in a deficit balance. This standard also required changes to certain presentation and disclosure requirements.

The net income (loss) attributed to the NCI is separately designated in the accompanying consolidated statements of operations. Losses attributable to the NCI in a subsidiary may exceed the NCI's interests in the subsidiary's equity. The excess attributable to the NCI is attributed to those interests. The NCI shall continue to attribute its share of losses, if applicable, even if that attribution results in a deficit NCI balance.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates made in connection with the accompanying consolidated financial statements include the estimate of dilution and fees associated with billings, the estimated reserve for doubtful current and long-term trade and other receivables, the estimated reserve for excess and obsolete inventory, estimated forfeiture rates for stock-based compensation, fair values in connection with the analysis of goodwill, other intangibles and long-lived assets for impairment, current portion of notes payable, valuation allowance against deferred tax assets and estimated useful lives for intangible assets and property and equipment.

Financial Instruments

Financial instruments consist primarily of cash equivalents, trade and other receivables, advances to affiliates and obligations under accounts payable, accrued expenses and notes payable. The carrying amounts of cash equivalents, trade receivables and other receivables, accounts payable, accrued expenses and notes payable approximate fair value because of the short maturity of these instruments.

Cash and Cash Equivalents

Cash and Cash equivalents consist of highly liquid investments with a maturity of three months or less at the time of purchase. Fair value of cash equivalents approximates carrying value.

Trade Receivables

The Company grants trade credit to customers under credit terms that it believes are customary in the industry it operates and does not require collateral to support customer trade receivables. Some of the Company’s trade receivables are factored primarily through two factors. Factored trade receivables are sold without recourse for substantially all of the balance receivable for credit approved accounts. The factor purchases the trade receivable(s) for the gross amount of the respective invoice(s), less factoring commissions, trade and cash discounts. The factor charges the Company a factoring commission for each trade account, which is between 0.75-1.00% of the gross amount of the invoice(s) factored on the date of the purchase, plus interest calculated at 3.25%-6% per annum. The minimum annual commission due the factor is $75,000 per contract year. The total amount of trade receivables factored was $8,280,697 and $7,985,899 for three months ended December 31, 2016 and 2015, respectively.

Reserve for Doubtful Accounts

The Company maintains a reserve for doubtful accounts, which includes reserves for accounts and factored trade and other receivables, customer refunds, dilution and fees from local exchange carrier billing aggregators and other uncollectible accounts. The reserve for doubtful accounts is based upon historical bad debt experience and periodic evaluations of the aging and collectability of the trade and other receivables. This reserve is maintained at a level which the Company believes is sufficient to cover potential credit losses and trade and other receivables are only written off to bad debt expense as uncollectible after all reasonable collection efforts have been made. The Company has also purchased accounts receivable credit insurance to cover non-factored trade and other receivables which helps reduce potential losses due to doubtful accounts. At December 31, 2016 and September 30, 2016, the allowance for doubtful accounts was $1,161,500 and $1,161,434, respectively.

Inventories

Manufacturing Segment

Inventories are valued at the lower of the inventory's cost (first in, first out basis) or the current market price of the inventory. Management compares the cost of inventory with its market value and an allowance is made to write down inventory to market value, if lower. Management also reviews inventory to determine if excess or obsolete inventory is present and a reserve is made to reduce the carrying value for inventory for such excess and or obsolete inventory. At December 31, 2016 and September 30, 2016, the reserve for obsolete inventory was $91,940 and $91,940, respectively.

Retail and Online Segment

Merchandise Inventories are valued at the lower of cost or market generally using the average cost method. Under the average cost method, as new product is received from vendors, its current cost is added to the existing cost of product on-hand and this amount is re-averaged over the cumulative units. Pre-owned products traded in by customers are recorded as merchandise inventory for the amount of cash consideration or store credit less any premiums given to the customer. Management reviews the merchandise inventory to make required adjustments to reflect potential obsolescence or over-valuation as a result of cost exceeding market. In valuing merchandise inventory, management considers quantities on hand, recent sales, potential price protections, returns to vendors and other factors. Management's ability to assess these factors is dependent upon forecasting customer demand and to provide a well-balanced merchandise assortment. Merchandise Inventory valuation is adjusted based on anticipated physical inventory losses or shrinkage and actual losses resulting from periodic physical inventory counts. Merchandise inventory reserves as of December 31, 2016 and September 30, 2016 were $2,490,405 and $1,013,870, respectively.

Property and Equipment

Property and Equipment are stated at cost less accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred and additions and improvements that significantly extend the lives of assets are capitalized. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation are removed from the related accounts and any gain or loss is reflected in operations. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years. Depreciation expense was $870,516 and $487,901 for the three months ended December 31, 2016 and 2015, respectively.

We periodically review our property and equipment when events or changes in circumstances indicate that their carrying amounts may not be recoverable or their depreciation or amortization periods should be accelerated. We assess recoverability based on several factors, including our intention with respect to our stores and those stores projected undiscounted cash flows. An impairment loss would be recognized for the amount by which the carrying amount of the assets exceeds their fair value, as approximated by the present value of their projected discounted cash flows.

Goodwill and Intangibles

The Company accounts for purchased goodwill and intangible assets in accordance with ASC 350, *Intangibles—Goodwill and Other*. Under ASC 350, purchased goodwill and intangible assets with indefinite lives are not amortized; rather, they are tested for impairment on at least an annual basis. Goodwill represents the excess of purchase price over the underlying net assets of business acquired. Intangible assets with finite lives are amortized over their useful lives. Upon acquisition, critical estimates are made in valuing acquired intangible assets, which include but are not limited to: future expected cash flows from customer contracts, customer lists, and estimating cash flows from projects when completed; tradename and market position, as well as assumptions about the period of time that customer relationships will continue; and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from the assumptions used in determining the fair values.

The Company assesses whether goodwill impairment exists using both the qualitative and quantitative assessments. The qualitative assessment involves determining whether events or circumstances exist that indicate it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. If based on this qualitative assessment the Company determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount or if the Company elects not to perform a qualitative assessment, a quantitative assessment is performed using a two-step approach required by ASC 350 to determine whether a goodwill impairment exists.

The first step of the quantitative test is to compare the carrying amount of the reporting unit's assets to the fair value of the reporting unit. If the fair value exceeds the carrying value, no further evaluation is required and no impairment loss is recognized. If the carrying amount exceeds the fair value, then the second step is required to be completed, which involves allocating the fair value of the reporting unit to each asset and liability using the guidance in ASC 805 (“*Business Combinations, Accounting for Identifiable Intangible Assets in a Business Combination*”), with the excess being applied to goodwill. An impairment loss occurs if the amount of the recorded goodwill exceeds the implied goodwill. The determination of the fair value of our reporting units is based, among other things, on estimates of future operating performance of the reporting unit being valued. We are required to complete an impairment test for goodwill and record any resulting impairment losses at least annually. Changes in market conditions, among other factors, may have an impact on these estimates and require interim impairment assessments.

When performing the two-step quantitative impairment test, the Company's methodology includes the use of an income approach which discounts future net cash flows to their present value at a rate that reflects the Company's cost of capital, otherwise known as the discounted cash flow method ("DCF"). These estimated fair values are based on estimates of future cash flows of the businesses. Factors affecting these future cash flows include the continued market acceptance of the products and services offered by the businesses, the development of new products and services by the businesses and the underlying cost of d