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 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 EXCHANGE ACT OF 1934**

For the Transition Period from _________ to _________

Commission file number: 333-150332

MACROSOLVE, INC.
(Exact name of registrant as specified in its charter)

Oklahoma	**73-1518725**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9521-B Riverside Parkway, #134, Tulsa, Oklahoma 74137
(Address of principal executive offices) (zip code)

(918) 932-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒
Note: The Company is a voluntary filer but has filed all reports it would have been required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months if it was a mandatory filer.

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 a smaller reporting company)	Smaller reporting company ☒

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

As of August 23, 2013 there were 186,506,952 shares of the registrant's common stock outstanding.

MACROSOLVE, INC.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MACROSOLVE, INC.

Interim Unaudited Financial Statements

For the Period Ended June 30, 2013

MACROSOLVE, INC.

BALANCE SHEETS (UNAUDITED)

For the Periods Ended:	6/30/2013	12/31/2012
ASSETS		
CURRENT ASSETS:		
Cash	$ 821,240	$ 659,204
Accounts receivable - trade	128,606	74,056
Prepaid expenses and other	46,319	519,330
Total current assets	996,165	1,252,590
PROPERTY AND EQUIPMENT, at cost:	4,237	21,651
Less - accumulated depreciation and amortization	(1,298)	(19,462)
Net property and equipment	2,939	2,189
OTHER ASSETS:		
Investment in DecisionPoint Systems, Inc.	650,557	579,875
Investment in MEDL Mobile Holdings, Inc.	53,939	-
Investment in Endexx Corporation	13,982	-
Other assets	68,955	64,227
Total other assets	787,433	644,102
TOTAL ASSETS	$ 1,786,537	$ 1,898,881
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 90,000	$ 90,000
Accounts payable - trade and accrued liabilities	125,487	84,062
Unearned income	10,000	500,000
Total current liabilities	225,487	674,062
LONG-TERM DEBT, less current maturities		
Note Payable - Shareholders	557,631	541,752
Oklahoma Technology Commercialization Center	80,000	125,000
Convertible debentures	150,000	150,000
Total long-term debt, less current maturities	787,631	816,752
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY:		
Common stock, $.01 par value; authorized 500,000,000 shares; issued and outstanding 185,683,100 and179,831,987 shares, at June 30, 2013 and December 31, 2012, respectively	1,856,831	1,798,320
Additional paid-in capital	13,232,497	13,230,111
Accumulated other comprehensive income	(96,521)	(170,125)
Accumulated deficit	(14,219,388)	(14,450,239)
Total stockholders' equity	773,419	408,067
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,786,537	$ 1,898,881

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

MACROSOLVE, INC.

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (UNAUDITED)

	For the Quarters Ended		For the Year to Date	
For the Periods Ended June 30,	6/30/2013	6/30/2012	6/30/2013	6/30/2012
Net revenues	$ 302,253	$ 206,275	$ 968,351	$ 905,507
Cost of revenues	129,069	73,761	408,116	357,027
Gross profit	173,184	132,514	560,235	548,480
Selling, general and administrative expense	151,766	334,781	307,893	672,074
Income from operations	21,418	(202,267)	252,342	(123,594)
OTHER INCOME (EXPENSE):				
Interest income	4,008	20	4,220	28
Interest expense	12,755	32,012	25,306	116,156
Loss on sale of asset	-	-	436	761
Total other expense	8,747	31,992	21,522	116,889
INCOME (LOSS) FROM CONTINUNIG OPERATIONS BEFORE INCOME TAXES	12,671	(234,259)	230,820	(240,483)
INCOME TAXES	-	-	-	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	12,671	(234,259)	230,820	(240,483)
DISCONTINUED OPERATIONS (NOTE 12)				
Loss from operations of discontinued Illume Mobile operations	-	(545,175)	-	(1,243,981)
NET INCOME (LOSS)	12,671	(779,434)	230,820	(1,484,464)
OTHER COMPREHENSIVE INCOME, net of tax				
Unrealized holding gain arising during the period	73,603	-	73,603	-
COMPREHENSIVE INCOME (LOSS)	$ 86,274	$ (779,434)	$ 304,423	(1,484,464)
INCOME (LOSS) ALLOCABLE TO COMMON STOCKHOLDERS:				
Net income (loss)	$ 12,671	$ (779,434)	$ 230,820	(1,484,464)
Income (loss) allocable to common stockholders	$ 12,671	$ (779,434)	$ 230,820	(1,484,464)
Basic and diluted net income (loss) from continuing operations per share	$ 0.00	$ (0.00)	$ 0.00	$ (0.00)
Basic and diluted net loss from discontinued operations per share	$ 0.00	$ (0.00)	$ 0.00	$ (0.01)
Basic and diluted net income (loss) per share	$ 0.00	$ (0.00)	$ 0.00	$ (0.01)

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

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MACROSOLVE, INC.

STATEMENTS OF CASH FLOWS (UNAUDITED)

For the Periods Ended June 30,	6/30/2013	6/30/2012
OPERATING ACTIVITIES:		
Net income (loss)	$ 230,820	$ (1,484,464)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,688	196,618
Loss on disposal of equipment	435	760
Stock based compensation	10,929	60,834
Issuance of stock for services	-	223,500
Changes in current assets and liabilities:		
(Increase) in accounts receivable - trade	(54,550)	(79,065)
Decrease in prepaid expenses and other	473,011	110,466
Increase (decrease) in accounts payable - trade and accrued liabilities	32,475	(131,349)
Increase in accrued debenture interest	8,950	102,981
Increase in accrued shareholder loan interest	15,879	-
(Decrease) increase in unearned income	(490,000)	22,214
Net cash provided by (used in) operating activities	229,637	(977,505)
INVESTING ACTIVITIES:		
Investment in Endexx Corporation	(15,000)	-
Purchase of equipment	(1,467)	(8,580)
Software development costs	-	(212,220)
Patent costs	(6,134)	-
Net cash (used in) investing activities	(22,601)	(220,800)
FINANCING ACTIVITIES:		
Debenture financing converted to common stock	-	(2,971,161)
Common stock issued for debenture conversions	-	2,971,161
Net proceeds from debenture financing	-	500,000
Reduction of accrued debenture interest	-	(232,497)
Common stock issued for accrued debenture interest	-	216,330
Proceeds from shareholder loans, including accrued interest	-	727,782
Repayment of shareholder loans, including accrued interest	-	(437,246)
Proceeds from sale of common stock	-	250,000
Repayments of notes payable	(45,000)	-
Net cash (used in) provided by financing activities	(45,000)	1,024,369
NET INCREASE (DECREASE) IN CASH	162,036	(173,936)
CASH, beginning of period	659,204	273,132
CASH, end of period	$ 821,240	$ 99,196

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

MacroSolve, Inc.
Notes to Interim Unaudited Financial Statements

For the Period Ended June 30, 2013

1. **BASIS OF PRESENTATION**

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The information furnished reflects all adjustments, consisting only of normal recurring items which are, in the opinion of management, necessary in order to make the financial statements not misleading. The financial statements as of December 31, 2012 have been audited by an independent registered public accounting firm. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's 10K for the calendar year ended December 31, 2012.

2. **DESCRIPTION OF BUSINESS**

MacroSolve, Inc. is an Oklahoma corporation formed on January 17, 1997, under the laws of the State of Oklahoma. We are focused on intellectual property licensing, enforcement of our patent in the mobile app space and other patent services. We also offer consulting and mentoring services to small and medium sized mobile software companies, including strategies for mobile app development, commercialization and financing of mobile apps. In addition, until July 31, 2012, we conducted business as Illume Mobile, engaged in the design, delivery and integration of custom solutions for the application of mobile technology in business processes.

3. **INVESTMENT IN DECISIONPOINT SYSTEMS, INC.**

As further described in Note #12, on July 31, 2012, the Company sold the Illume Mobile assets and operations to DecisionPoint Systems, Inc. (DPSI) for $250,000 cash and 617,284 shares of DPSI stock valued at $1.215 per share or a total of $750,000. In accordance with ASU 2011-05, the stock is classified as available-for-sale equity and the unrealized market gains or losses are recorded as Other Comprehensive Income. Due to the volatility and thin trading of DPSI shares, the Company has determined that the fair market value on the measurement date will be computed from the volume-weighted average trading price for the entire second quarter of 2013. The unrealized gain for the six months ended June 30, 2013 on the investment consists of the following:

DPSI stock	Number of Shares	June 30, 2013
Basis at December 31, 2012	617,284	$ 579,875
Report Date	617,284	$ 650,557
Unrealized market gain		$ 70,682

4. INVESTMENT IN MEDL MOBILE HOLDINGS, INC.

On March 8, 2013, the Company entered into an agreement with MEDL Mobile Holdings, Inc. (MEDL) to bring forth a program that offers access to the Company's '816' patent to app developers. MEDL received the right to grant a license to its clients on a 'per install' basis on a revenue sharing arrangement with the Company. As a part of the agreement, each Company received $50,000 worth of the other's stock with the price per share determined by the Volume Weighted Average Price ("VWAP") for each stock for the last twenty trading days prior to execution of the agreement. The Company received 147,692 shares of MEDL stock priced at $0.34 per share the MEDL received 2,500,000 shares of the Company's stock priced at $0.02 per share.

In accordance with ASU 2011-05, the stock is classified as available-for-sale equity and the unrealized market gains or losses are recorded as Other Comprehensive Income. Due to the volatility of MEDL shares, the Company has determined that the fair market value on the measurement date will be computed from the volume-weighted average trading price for the entire second quarter of 2013. The unrealized gain on the investment consists of the following:

MEDL stock	Number of Shares	June 30, 2013
Basis at acquisition		
March 8, 2013	147,692	$ 50,000
Report Date	147,692	$ 53,939
Unrealized market gain		$ 3,939

5. INVESTMENT IN ENDEXX CORPORATION

On June 5, 2013, the Company entered into six month agreement with Endexx Corporation (EDXC) to coordinate business planning, investor interests and intellectual property for a mobile app venture that uniquely addresses advertising market analytics. Additionally, Endexx received a variable limited '816' license during the course of the business advisory engagement while its app is in development with the agreement that a permanent license will be negotiated upon completion. Endexx will pay the Company $15,000 compensation by issuing 125,000 shares of EDXC restricted stock priced at $.12 per share and the balance to be paid in cash.

In accordance with ASU 2011-05, the stock is classified as available-for-sale equity and the unrealized market gains or losses are recorded as Other Comprehensive Income. Due to the volatility of EDXC shares, the Company has determined that the fair market value on the measurement date will be computed from the daily volume-weighted average trading price from June 5 through June 30, 2013. The unrealized loss on the investment consists of the following:

EDXC stock	Number of Shares	June 30, 2013
Basis at acquisition		
June 13, 2013	125,000	$ 15,000
Quarter ended		
Report Date	125,000	$ 13,982
Unrealized market loss		$ (1,018)

6. DEBENTURES AND NOTES PAYABLE

Notes payable at June 30, 2013 and December 31, 2012 consist of the following:	June 30, 2013	Dec 31, 2012
On July 17, 2011, the Company began offering its Convertible Debentures Series 2011 and Series B Warrants to purchase common stock to accredited investors. The Debentures mature on December 31, 2016. The Company did not establish a minimum or maximum offering size; its goal was $1,000,000 in aggregate subscriptions exclusive of the exchange of previously issued debentures. The $725,000 proceeds from this offering have been used by the Company for working capital to increase its market share from the sale of mobile apps in dining and other vertical markets and may include working capital for acquired companies. On December 31, 2011, three Directors converted a total of $171,161 in short term promissory notes to the offering. The offering was closed as of December 31, 2011.		
The 2011 Debentures earn interest at the annual rate of 12% which will be paid quarterly exclusively from the Debenture Account. Principal on the Debentures will be prepaid quarterly as the Debenture Account permits. The Debenture Account will be set up with a financial institution for the deposit of 25% of any recovery it receives from any judgment or settlement in any infringement case or claim it prosecutes. The Debentures may be converted to common stock by the holder into the number of shares that could have been purchased with 200% of the principal amount of the Debenture, together with accrued and unpaid interest and the shares valued using the weighted average price for a five-day trading period preceding the Debenture investment provided however, that the conversion price shall not be less than ten cents per share at any time and the conversion price shall not be more than ten cents per share for investments made prior to October 1, 2011. By resolution of the Board on December 16, 2011, the ten cent conversion price per share was extended to investments made after October 1, 2011. The Investors also acquired Common Stock Series B Warrants in an amount equal to the shares of common stock that could be purchased at the Debenture conversion price. Each warrant has a term of five years.		
During 2012, eighteen of the nineteen investors elected to convert a total of $846,161 Debenture Series 2011 plus Series B Warrants into 16,923,227 shares of common stock. A total of $45,941 in accrued interest on the converted debentures was settled with 459,412 shares of common stock. Accrued interest as June, 2013 is $10,184.	$ 50,000	$ -
On April 11, 2011, the Company began offering its Convertible Debentures Series 2011 and Series A Warrants to purchase common stock to accredited investors. The Debentures mature on December 31, 2016. The Company did not establish a minimum or maximum offering size; its goal was $1,000,000 in aggregate subscriptions exclusive of the exchange of previously issued debentures. The proceeds from this offering were used by the Company for working capital to increase its market share from the sale of mobile apps in dining and other vertical markets and may include working capital for acquired companies. The offering was closed on July 13, 2011 with a total of $950,000 in new investments and $725,000 in converted investments.		

The 2011 Debentures earn interest at the annual rate of 12% which will be paid quarterly exclusively from the Debenture Account. Principal on the Debentures will be prepaid quarterly as the Debenture Account permits. The Debenture Account will be set up with a financial institution for the deposit of 25% of any recovery it receives from any judgment or settlement in any infringement case or claim it prosecutes. The Debentures may be converted to common stock by the holder into the number of shares that could have been purchased with 200% of the principal amount of the Debenture, together with accrued and unpaid interest and the shares valued using the weighted average price for a five-day trading period preceding the Debenture investment. The Investors also acquired Common Stock Series A Warrants in an amount equal to the shares of common stock that could be purchased at 50% of the Debenture conversion price. Each warrant has a term of five years.		
During 2012, fifteen of the sixteen investors elected to convert a total of $1,575,000,000 Debenture Series 2011 plus Series A Warrants into 16,831,553 shares of common stock. A total of $179,312 in accrued interest on the converted debentures was settled, $16,167 in cash and $163,145 with 870,543 shares of common stock. Accrued interest as of June 30, 2013 is $24,363.	$ 100,000	$ -
Note from the State of Oklahoma Technology Business Finance Program (OTCC loan) represented by a $150,000 refundable award to be repaid at two times the amount of the award. The balance includes accrued interest (imputed at 14.27%), through September 2007. The monthly payments were suspended in October 2008 and resumed in October 2012 in the amount of $7,500 per month.	$ 170,000	$ 215,000

The aggregate minimum maturities of notes payable, including shareholder loan principal and interest, for each of the next five years are as follows:

2013	$	90,000
2014	$	80,000
2015	$	557,630
2016	$	150,000
Thereafter	$	-
Total	$	877,630

7. SHAREHOLDER LOANS

In May and June, 2012, four directors loaned the Company a total of $449,300 for working capital. In July, 2012, three directors loaned a total of $50,000 for working capital. The notes were secured by the unencumbered 75% of patent settlement license fees secondary to the security interest of a financial institution and provided for accrued interest at 12% payable on maturity at September 30, 2012. The total accrued interest on shareholder loans which matured September 30, 2012 was $25,381. Two directors were owed $9,000 for guaranteeing the advancing term loans in 2011 and 2012. The total amount due to the four directors of $533,681, including accrued interest and loan guarantees, was rolled over into new notes dated September 30, 2012. The new notes are secured by the unencumbered 75% of patent settlement license fees and provide for accrued interest at 6% payable on maturity at January 1, 2015. The accrued interest at June 30, 2013 is $23,950.

8. EMPLOYEE STOCK PLANS

A summary of activity under the Employee Stock Plans as of June 30, 2013 and changes during the period then ended is presented below:

	Stock Options		Restricted Stock Shares
	Options	Weighted Average Exercise Price	
Outstanding – March 31, 2013	15,413,584	$ 0.35	3,176,374
Exercisable – March 31, 2013	5,405,584	$ 0.52	-
Granted	-	$ 0.00	1,019,231
Exercised or Vested	-	$ 0.00	(1,016,304)
Forfeited or Expired	-	$ 0.00	(-)
Outstanding – June 30, 2013	15,413,584	$ 0.35	3,179,301
Exercisable – June 30, 2013	5,405,584	$ 0.52	-

The weighted-average grant-date calculated value of options granted during the period ended June 30, 2013 is not applicable. Options outstanding at June 30, 2013 had an aggregate intrinsic value of $0 and a weighted-average remaining contractual term of 1.5 years. Options that were exercisable at June 30, 2013 had an aggregate intrinsic value of $-0- and a weighted-average remaining contractual term of 1.3 years.

A summary of the status of the Company's nonvested options and restricted stock as of and for the Quarters Ended March 31 and June 30, 2013 is presented below:

Nonvested Shares	Stock Options Options	Weighted-Average Grant Date.Calculated Value	Restricted Stock
Nonvested - Beginning of Year 2013	10,047,200	$ -	4,235,164
Granted	-	$ -	1,908,602
Vested	(39,200)	$ -	(2,967,392)
Forfeited	-	$ -	-
Nonvested–Quarter Ended March 31, 2013	10,008,000	$ -	3,176,374
Granted	-	$ -	1,019,231
Vested	-	$ -	(1,016,304)
Forfeited	-	$ -	-
Nonvested–Quarter Ended June 30, 2013	10,008,000	$ -	3,179,301

As of June 30, 2013, there was $-0- unrecognized compensation cost related to nonvested share-based compensation arrangements under the stock bonus plan. The weighted-average remaining vesting period is .6 months.

9. SHAREHOLDERS' EQUITY

The Company issued a total of 5,851,113 common shares in the six months ended June 30, 2013, described further as follows:

The Company's independent directors annual compensation is $16,000 to be paid quarterly in restricted stock. The Company issued the directors 423,280 shares of restricted stock on January 1, 2013 for their fourth quarter 2012 compensation.

The Company issued 1,908,602 shares of common stock on January 3, 2013 to a management employee in lieu of $35,500 cash compensation for services rendered in the fourth quarter of 2012 which had been recorded at a value of $1,909 in stock based compensation based upon individual tax elections made by each recipient. The shares vest six months after issuance and are subject to forfeiture upon voluntary termination of employment.

As described in Footnote #4, the Company issued 2,500,000 shares of restricted common stock on March 8, 2013 to MEDL Mobile Holdings, Inc. valued at $50,000.

The Company issued 1,019,231 shares of common stock on April 4, 2013 to a management employee in lieu of $26,500 cash compensation for services rendered in the first quarter of 2013 which had been recorded at a value of $1,019 in stock based compensation based upon individual tax elections made by the recipient. The shares vest six months after issuance and are subject to forfeiture upon voluntary termination of employment.

10. EARNINGS (LOSS) PER SHARE

The Company has calculated the loss allocable to the common shareholders for the periods ended June 30, 2013 and 2012:

	For the Quarters Ended June 30		For the Six Months Ended June 30	
	2013	2012	2013	2012
Denominator:				
Weighted-average number of common shares outstanding	185,683,100	179,831,987	185,683,100	179,831,987
Numerator:				
Net Income (Loss) from Continuing Operations	$ 12,671	$ (234,259)	$ 230,820	$ (240,483)
Basic and diluted net income (loss) per share	$ 0.00	$ (0.00)	$ 0.00	$ (0.00)
Numerator:				
Net (Loss) from Discontinued Operations	$ 0	$ (545,175)	$ 0	$ (1,243,981)
Basic and diluted net income (loss) per share	$ 0.00	$ (0.00)	$ 0.00	$ (0.01)
Numerator:				
Net Income (Loss)	$ 12,671	$ (779,434)	$ 230,820	$ (1,484,464)
Basic and diluted net income (loss) per share	$ 0.00	$ (0.00)	$ 0.00	$ (0.01)

11. RELATED PARTY TRANSACTION

There were no related party transactions other than the shareholder loans discussed in Footnote #6.

12. DISCONTINUED OPERATIONS PURSUANT TO THE SALE OF ILLUME MOBILE ASSETS

In July 2012, the Company began negotiations with DecisionPoint Systems, Inc. to sell the Illume Mobile assets and operations. On July 31, 2012 (the "Closing Date"), MacroSolve, Inc. (the "Company") entered into an asset purchase agreement (the "Purchase Agreement") with DecisionPoint Systems, Inc. (the "Buyer"). Pursuant to the Purchase Agreement, effective on the Closing Date, the Company sold substantially all of the assets relating to its Illume Mobile business, for a purchase price of $1,000,000, of which $250,000 was paid in cash and $750,000 was paid in the form of 617,284 shares of the Buyer's common stock (valued at $1.215 per share based on the 20 day volume weighted average price agreed between the parties).

The Company has the right to receive an earn-out payment from the Buyer (the "Earn-Out Payment") of up to $500,000 (of which 50% will be paid in cash, and 50% will be paid in shares of common stock of the Buyer, valued at the last closing price of the Buyer's common stock on the one year anniversary of the Closing Date). The Earn-Out Payment is incremental based upon net revenues. If net revenue is $3,000,000 or more, the entire Earn-Out Payment will be due.

Based on the Buyer's reported revenues to date, the Company has estimated that insufficient revenues will be generated to achieve the Earn-Out Payment. As a result, in the first quarter of 2012, the Company reversed the previously accrued total potential earn-out of $500,000 receivable asset offset by an equal amount of deferred revenue.

In connection with the Purchase Agreement, on the Closing Date, the Company and the Buyer entered into a patent license agreement (the "License Agreement"), pursuant to which the Company granted the Buyer a non-exclusive license under a patent held by the Company pertaining to information collection using mobile computers (the "Licensed Patent") to make, have made, sell, offer for sale or import any product or service which in the absence of the License Agreement would infringe at least one claim of the Licensed Patent (including specifically the Company's ReForm™ Development Platform) in and into the United States and to practice the Licensed Methods (as defined in the License Agreement), in the United States, during the term of the Licensed Patent. The Buyer agreed to pay the Company a licensing fee/royalty payment of (i) 7.5% of Net Revenues (as defined in the License Agreement) received from the sale of Software Products (as defined in the License Agreement) and/or Licensed Methods, and (ii) 5% of Net Revenues from the sale of Custom Development Services (as defined in the License Agreement). The Company also granted the Buyer an option to purchase a non-exclusive perpetual license under the Licensed Patent at a purchase price of $500,000. The Company has accrued an estimated $10,000 in expected second quarter 2013 royalties.

In connection with the Purchase Agreement, on the Closing Date, the Company and the Buyer entered into a non-competition and non-solicitation agreement (the "Non-Competition Agreement"). Pursuant to the Non-Competition Agreement, for a period of three years commencing on the Closing Date, the Company agreed not to engage in activities in the United States and Canada competitive with the products sold by the Company's Illume Mobile business as of July 31, 2012, and the Buyer agreed not to engage in activities in the United States and Canada competitive with the products sold by the Company (not related to the assets sold pursuant to the Purchase Agreement). The Company also agreed, for a period of three years, commencing on the Closing Date, not to solicit or hire (unless such employee has been terminated by the Buyer) employees of the Buyer, and the Buyer agreed, for a period of three years commencing on the Closing Date, not to solicit employees of the Company (except as contemplated by the Purchase Agreement).

13. SUBSEQUENT EVENTS

The Company issued 868,852 shares of compensation shares to a management executive in lieu of $26,500 cash compensation for services rendered which had been recorded at a value of $26,500 in stock based compensation. The shares were awarded on Restricted Stock Agreements which have a six month time lapse restriction and are subject to forfeiture upon voluntary termination of employment.

14. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during Six Months ended June 30, 2013 and 2012 are:

	2013	2012
Interest	$ -	$ 29,342
Income taxes	$ -	$ -

Noncash activities are as follows for the Six Months ended June 30, 2013 and 2012 are:

	2013	2012
Stock issued for services	$ -	$ 223,500
Stock issued for debenture interest	$ -	$ 216,330
Stock issued for MEDL investment	$ 50,000	$ 216,330
Unrealized net accumulated market gain on DecisionPoint, MEDL and Endexx gain	$ 73,603	$ -

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements in Management's Discussion and Analysis ("MD&A"), other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "would," "expect," "intend," "could," "estimate," "should," "anticipate," or "believe." and similar expressions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. These statements are subject to a number of risks, uncertainties and developments beyond our control or foresight including changes in the trends of the mobile computing industry, formation of competitors, changes in governmental regulation or taxation, changes in our personnel and other such factors. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers should carefully review the risk factors and related notes included under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission on March 13, 2012.

Business Overview

MacroSolve, Inc. ("MacroSolve," "we," "us," or the "Company") is an Oklahoma corporation formed on January 17, 1997, under the laws of the State of Oklahoma. We are focused on intellectual property licensing, enforcement of our patent in the mobile app space and other patent services. We also offer consulting and mentoring services to small and medium sized mobile software companies, including strategies for mobile app development, commercialization and financing of mobile apps. Due to the small number of employees, we no longer maintain a physical workspace, but allow our employees to work remotely. Our mailing address is 9521-B Riverside Parkway, #134, Tulsa, Oklahoma 74137.

Since March 2011, we have been protecting our intellectual property rights against entities we have identified as potentially infringing our rights. In October 2010, we received U.S. patent #7,822,816, which addresses mobile information collection systems across all wireless networks, smart phones, tablets, and rugged mobile devices, regardless of carrier and manufacturer. To date, complaints have been filed against 90 defendants and we are continuously identifying potential infringers with numerous potential infringers identified as of the date of this report. Out of these lawsuits, we have received 58 settlements in the form of non-exclusive, perpetual paid-up licenses for licensed products or for royalties based on a percentage of revenue.

Recent Transactions

The Company finalized an agreement on June 5, 2013 with Endexx Corporation (EDXC), a micro-cap company which collaborates with independent software developers, scientists, engineers and other companies to build businesses that can thrive collectively in the equity markets. During the six month engagement, the Company will provide its virtual management team to assist Endexx with coordinating business planning, investor interests and intellectual property for a mobile app venture that uniquely addresses advertising market analytics. The Company is also providing Patent Advisory Services to Endexx. As part of those services, Endexx receives a variable limited '816' license during the course of the business advisory engagement while its app is in development with the agreement that a permanent license will be negotiated upon the app's completion. Endexx issued 125,000 shares of its restricted stock valued at $15,000 to the Company with the balance of $15,000 to be paid in cash.

The Company finalized an agreement on June 12, 2013 with RIJO Investment Group, a private company based in Los Angeles, California, to provide its virtual management team to assist RIJO with coordinating business planning, investor interests, content expertise and third party technology partners for a venture that uniquely optimizes historical content, GPS and social media. This is initially a two month project during the proof of concept phase and does not include patent advisory services or stock for services.

On March 12, 2013, the Company finalized an agreement with MEDL Mobile Holdings, Inc. ("MEDL"), a company involved in the creation, development, marketing and monetization of mobile apps. MEDL has the right to extend its license to the Company's '816 patent to its app development clients on a 'per install' basis. The Company will receive a percentage of the passive revenues, which are subject to MEDL achieving minimum performance goals starting in the third quarter of 2013. As a part of the agreement, each company received $50,000 worth of the other's stock with the price per share determined by the volume weighted average price for each stock for the last twenty trading days prior to execution of the agreement. The Company received 147,692 shares of MEDL stock priced at $0.34 per share and MEDL received 2,500,000 shares of the Company's stock priced at $0.02 per share.

As previously reported, the Company sold substantially all of the assets relating to its Illume Mobile business on July 31, 2012. Accordingly, all operating results disclosed in this quarterly report only include the results from continuing operations, and exclude the results for the Illume Mobile business, which are presented as discontinued operations.

Results of Operations

Quarter Ended June 30, 2013 compared to Quarter Ended June 30, 2012 (all references are to the Quarter Ended June 30)

Net Revenues: Net revenues increased $96,000 or 47%, to $302,000 in the quarter ended June 30, 2013 from $206,000 for the same period in 2012. Sources of revenue were derived primarily from our IP licensing activities, which are subject to fluctuation due to the nature of legal proceedings. The Company began offering consulting services late in the fourth quarter of 2012. Recognized consulting revenues were less than 1% of the total second quarter 2013 revenues as the Company begins to build its services offerings and prospects list.

Cost of Revenues and Gross Profit: Cost of revenues for the quarter ended June 30, 2013 increased $56,000, or 77%, from $73,000 for the quarter ended June 30, 2012 to $129,000 in 2013. Costs include contingent legal fees, which increased $44,000 over the prior period in relation to the increase in revenues, and other costs associated with enforcing our intellectual property, which increased $12,000 over the prior period. The resulting gross profit for the quarter ended June 30, 2013 of $173,000 was higher by $40,000, or 30%, than the gross profit for the quarter ended June 30, 2012 of $133,000. Gross profit margins were 57% and 65% for the second quarters of 2013 and 2012, respectively.

Operating Expenses: Operating expenses primarily consist of selling, general and administrative expenses. Selling, general and administrative expenses decreased by $183,000 or 55%, to $152,000 in the quarter ended June 30, 2013 from $335,000 for the same period in 2012. The primary reason for this decrease was lower financial advisory services, which decreased $192,000 as the result of payments, both in cash and in stock, for investor relations in 2012 that were not incurred in 2013. Marketing and promotions costs increased by $28,000 to $4,000 in 2013 from ($24,000) in 2012 due to a write off of fees assessed by a public relations firm. Stock based compensation decreased by $21,000 due to the reduction in executive management staff following the sale of Illume Mobile.

Income from Operations: Income from operations for the quarter ended June 30, 2013 of $22,000 was up $224,000, or 111%, from the loss from operations in 2012 of ($202,000), primarily due to a $183,000 decrease in selling, general and administrative expenses described above and secondarily due to a $40,000 increase in gross profit.

Other Income and Expense: Total other expenses of $9,000 in the second quarter of 2013 decreased $23,000, or 60%, over the total of $32,000 in 2012. This decrease is primarily due to a $19,000 decrease in interest expense associated with debentures that were converted to stock in 2012.

Net Income: Net income of $12,000 as of June 30, 2013 was up $246,000, or 105%, from the net loss for the same quarter in 2012 of ($234,000), primarily as a result of the factors described above.

Six Months Ended June 30, 2013 compared to Six Months Ended June 30, 2012 (all references are to the Six Months Ended June 30)

Net Revenues: Net revenues increased $63,000 or 7%, to $968,000 in the six months ended June 30, 2013 from $905,000 for the same period in 2012. Second quarter revenues decreased $364,000 to $302,000 from $666,000 in the first quarter of 2013. Sources of revenue were derived primarily from our IP licensing activities which are subject to fluctuation due to the nature of legal proceedings. MacroSolve is the Plaintiff in a Markman Hearing, also known as a Claim Construction Hearing, scheduled in the Eastern District of Texas against Defendants GEICO Insurance Agency, Inc., GEICO Casualty Company, Governmental Employees Insurance Company, and Newegg, Inc. on September 26, 2013, which will impact third quarter revenues and may impact fourth quarter revenues. The Company anticipates revenues will be sufficient to meet operating costs and has ample cash reserves to fund its scaled-back operations. The Company began offering consulting services late in the fourth quarter of 2012. Recognized consulting revenues were less than 1% of the 2013 revenues as the Company begins to build its services offerings and prospects list.

Cost of Revenues and Gross Profit: Cost of revenues for the six months ended June 30, 2013 increased $51,000, or 14%, from $357,000 for the six months ended June 30, 2012 to $408,000 in 2013. Costs include contingent legal fees, which increased $28,000 over the prior six month period in relation to the increase in revenues, and other costs associated with enforcing our intellectual property, which increased $19,000 over the prior six month period. The resulting gross profit for the six months ended June 30, 2013 of $560,000 was higher by $12,000, or 2%, than the gross profit for the six months ended June 30, 2012 of $548,000. Gross profit margins were 58% and 61% for the first six months of 2013 and 2012, respectively.

Operating Expenses: Operating expenses primarily consist of selling, general and administrative expenses. Selling, general and administrative expenses decreased by $364,000 or 54%, to $308,000 in the six months ended June 30, 2013 from $672,000 for the same period in 2012. The primary reason for this decrease was lower financial advisory services, which decreased $325,000 as the result of payments, both in cash and in stock, for investor relations in 2012 that were not incurred in 2013.Stock based compensation decreased by $54,000 due to the reduction in executive management staff following the sale of Illume Mobile.

Income from Operations: Income from operations for the six months ended June 30, 2013 of $252,000 was up $376,000, or 304%, from the loss from operations for the six months ended June 30, 2012 of ($124,000), primarily due to a $364,000 decrease in selling, general and administrative expenses described above and secondarily from a $12,000 increase in gross profit.

Other Income and Expense: Total other expenses of $22,000 in the first six months of 2013 decreased $95,000, or 82%, over the total of $117,000 in the first six months of 2012. This decrease is primarily due to a $91,000 decrease in interest expense associated with debentures that were converted to stock in 2012.

Net Income: Net income of $231,000 for the six months ended June 30, 2013 was up $472,000, or 196%, from the net loss for the period in 2012 of ($241,000), primarily as a result of the factors described above.

Liquidity and Capital Resources

As of June 30, 2013, the Company had total current assets of $996,165 and total current liabilities of $225,487 resulting in working capital of $770,678. As of June 30, 2013, the Company had cash and cash equivalents of $821,240 and an accumulated deficit of $14,219,388 since operations commenced in 1997.

Although there was a net loss in 2012, the Company's independent registered public accounting firm's audit report for the year ended December 31, 2012 did not contain a qualified opinion or an explanatory paragraph regarding the Company's ability to continue as a going concern as it had in prior years. The Company demonstrated profitability after the divestiture of Illume Mobile, improved its financial ratios, and management’s plan does not contemplate future debt or equity raises. The accompanying financial statements have been prepared assuming that the Company continues as a going concern and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The ability of the Company to continue as a going concern on a long-term basis will be dependent upon its ability to create and market innovative products and services and sustain adequate working capital to finance its operations.

We have historically financed our operations through operating revenues, proceeds from bank loans, shareholder loans and sales of equity and debt securities to accredited investors. Since the 2012 divestiture of Illume Mobile and its deficit operation, the Company expects to generate sufficient working capital through operations to support its requirements without additional debt or equity financing.

2011 Debenture Financing

Between April and June 2011, the Company sold Convertible Debentures Series 2011 (the “2011 Class A Debentures”) with Class A Warrants for gross proceeds of $950,000 and the conversion of $725,000 of 2010 Debentures into 2011 Debentures. Between September and October 2011, the Company sold Convertible Debentures Series 2011 (the “2011 Class B Debentures” and together with the 2011 Class A Debentures, the “2011 Debentures”) with Class B Warrants for gross proceeds of $700,000 and the conversion of $25,000 in accrued compensation.

The 2011 Debentures, which mature on December 31, 2016, earn interest at an annual rate of 12%, which will be paid quarterly exclusively from the Debenture Account. Principal on the 2011 Debentures will be paid quarterly at management’s discretion and as the Debenture Account permits. A Debenture Account has been established with a financial institution for the deposit of 25% of the net funds the Company receives from licensing its intellectual property.

The 2011 Class A Debentures may be converted into shares of Common Stock at the option of the holder. Upon conversion, the holder will be entitled to receive the number of shares of Common Stock that equal to two hundred percent (200%) of the face amount of the 2011 Class A Debentures, together with accrued and unpaid interest, divided by the conversion price, which is the weighted average price for the five-day trading period preceding the 2011 Class A Debenture investment. Any 2011 Class A Debentures that are outstanding on the maturity date that have not been repaid from the Debenture Account will be repaid by the issuance of shares of Common Stock at the conversion price. As of June 30, 2013, there was $100,000 principal amount of 2011 Class A Debentures outstanding that were convertible into approximately 1,587,302 shares of common stock.

The 2011 Class A Debenture investors also received common stock purchase warrants, designated by the Company as Class A Warrants, which expire on December 31, 2016. As of June 30, 2013, there were Class A Warrants outstanding to purchase an aggregate of 18,475,827 shares of common stock at exercise prices ranging between $0.063 and $0.109.

The 2011 Class B Debentures may be converted into shares of Common Stock at the option of the holder. Upon conversion, the holder will be entitled to receive the number of shares of Common Stock that equal to two hundred percent (200%) of the face amount of the 2011 Class B Debentures, together with accrued and unpaid interest, divided by the conversion price, which is the weighted average price for the five-day trading period preceding the 2011 Class B Debenture investment, however the conversion price shall not be less than ten cents per share at any time and the conversion price shall not be more than ten cents per share for investments made prior to October 1, 2011. Any 2011 Class B Debentures that are outstanding on the maturity date that have not been repaid from the Debenture Account will be repaid by the issuance of shares of Common Stock at the conversion price. As of June 30, 2013, there were $50,000 principal amount of 2011 Class B Debentures outstanding that were convertible into approximately 1,000,000 shares of common stock.

The investors in 2011 Class B Debentures also received common stock purchase warrants, designated by the Company as Class B Warrants, which expire on December 31, 2016. As of June 30, 2013, there were Class B Warrants outstanding to purchase an aggregate of 8,961,614 shares of common stock at exercise prices of $0.10.

Other

In May and June 2012, four directors loaned the Company a total of $449,300 for working capital. In July 2012, three directors loaned a total of $50,000 for working capital. The notes were secured by the unencumbered 75% of patent settlement license fees secondary to the security interest of a financial institution and provided for accrued interest at 12% payable on maturity at September 30, 2012. The total accrued interest on shareholder loans which matured September 30, 2012 was $25,381. Two directors were owed $9,000 for guaranteeing the advancing term loans in 2011 and 2012. The total amount due to the four directors of $533,681, including accrued interest and loan guarantees, was rolled over into new notes dated September 30, 2012. The new notes are secured by the unencumbered 75% of patent settlement license fees and provide for accrued interest at 6% payable on maturity at January 1, 2015. The accrued interest at June 30, 2013 is $23,950.

To lower its required cash expenditures for the quarter ended June 30, 2013, the Company issued 1,019,231 shares of common stock to management for compensation for services rendered in the first quarter of 2013. At its March 25, 2013 meeting, the Board of Directors approved payment of its $16,000 annual compensation in cash and increasing the cash portion of CEO James McGill's monthly salary from $1,000 to $4,000 per month retroactive to January 1, 2013.

Sources and Uses of Cash

	Six Months ended June 30,	
(In thousands)	**2013**	**2012**
Cash flow data:		
Net cash provided by (used in) operating activities	$ 230	$ (978)
Net cash (used in) investing activities	(23)	(221)
Net cash (used in) provided by financing activities	(45)	1,024
Net increase (decrease) in cash and cash equivalents	162	(174)
Cash and cash equivalents, beginning of period	659	273
Cash and cash equivalents, end of period	$ 821	$ 99

Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2013 was $230,000, an increase of $1,208,000 from the $978,000 cash used in operating activities in the first six months of 2012. Net income of $231,000 for the first six months of 2013 contributed $1,715,000 more to operating activities than the prior year first six month period which had a ($1,484,000) net loss. Depreciation and amortization expense decreased by $195,000 to $1,700 in the current period compared to $197,000 in the prior period, primarily due to the divestiture of Illume Mobile and its assets. No stock for services was issued in the first six months of 2013 resulting in an increase of $223,000 provided by operating activities over the first six months of 2012. Prepaid expenses and other assets decreased by $363,000 in the first six months of 2013 and unearned income decreased by $512,000, primarily due to the write off of the $500,000 potential earn out from the sale of Illume Mobile in 2012. The net effect on cash provided by operating activities from the divestiture of other assets and liabilities associated with the divestiture of Illume Mobile was ($150,000).

Investing Activities

Cash used in investing activities for the six months ended June 30, 2013 was $23,000, a decrease of $198,000 from the $220,000 cash used in investing activities during the same period in 2012. The decrease was primarily due to the $212,000 in software development costs expended in 2012, offset by the $15,000 stock received from Endexx Corporation in exchange for services.

Financing Activities

Net cash used by financing activities for the six months ended June 30, 2013 was $45,000 compared with $1,024,000 provided by financing activities for the same period in 2012, a decrease of $1,069,000. In the first six months of 2012, the Company raised approximately $1,025,000 in debenture financing, net shareholder loans and sale of stock to accredited investors, whereas no new financing occurred in 2013. The Company is repaying $7,500 per month, or $45,000 through the first six months of 2013, on its refundable award from the State of Oklahoma Technology Business Finance Program. The unsecured $150,000 note, which originated in 2003, was to be repaid in five years at two times the amount of the award or less if paid earlier. Interest was imputed at 14.27% and the full $300,000 became payable in September 2007. Monthly payments were suspended in October 2008 and resumed in October 2012 in the amount of $7,500 per month. The loan proceeds were used solely for sales and marketing expenses. As of June 30, 2013, $177,000 of principal and interest remained due and payable on the note.

Critical Accounting Policies

Accounts Receivable and Credit Policies:

Trade accounts receivable consist of amounts due from the sale of patent licenses and consulting services. Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days of receipt of the invoice. The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amounts based on historical collection experience and a review of the current status of trade accounts receivable. In many instances, the Company is extending trade terms to customers who have agreed to acquire IP licenses as a result of settlement agreements. At the quarter ended June 30, 2013 and at fiscal year ended December 31, 2012, the Company deems all trade receivable amounts recorded as collectible and, thus has not provided an allowance for uncollectible amounts.

Property and Equipment:

Property and equipment are recorded at cost. Depreciation is computed using straight-line methods applied to individual property items based on estimated useful lives.

Revenue Recognition and Unearned Income:

Revenues from intellectual property licenses are recognized upon receipt. When intellectual property licenses are received under a contingent fee agreement with the law firm of Antonelli, Harrington & Thompson LLP, and the applicable contingent legal expense is recorded as a cost of sale. The $500,000 in unearned income at December 31, 2012 consisted of the total potential earn-out payment from DecisionPoint Systems from the sale of Illume Mobile assets. The Company reversed the $500,000 income accrual as of March 31, 2013 due to uncertainty that the earn-out payment would be achieved.

Consulting services revenues consist primarily of advisory services to third party customers under contract for specific projects. Contracted projects that are fixed price are accounted for under the percentage-of-completion method of accounting. Revenue from contracted projects that are for provision of services is recognized at the time the service is provided. At June 30, 2013, there was $10,000 in unearned income related to consulting services engagements.

Long-Lived Assets:

The Company accounts for long-lived assets in accordance with the provisions of ASC 360-10-35, "Impairment or Disposal of Long-lived Assets". This Statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount 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 future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment charges were incurred during the periods ended June 30, 2013 and December 31, 2012.

Stock-Based Compensation:

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation-Compensation Costs". ASC 718 requires companies to measure the cost of employee services received in exchange for an award of equity instruments, including stock options, based on the grant-date fair value of the award and to recognize it as compensation expense over the period the employee is required to provide service in exchange for the award, usually the vesting period. The Company issues Restricted Stock Awards which vest over six month in the case of salary differential awards and over three years in the case of bonus plans to employees. If the employee elects 83(b) tax treatment of the award, the fair market value is recognized as compensation in the month of the election.

Effect of Recently Issued Accounting Pronouncements

In October 2012, the FASB issued Accounting Standards Update No. 2012-04, "Technical Corrections and Improvements" which makes technical corrections and improvements to a variety of topics in the Codification. The changes include source literature amendments, guidance clarification, reference corrections and relocated guidance. The ASU also includes amendments to the codification to reflect ASC 820's fair value measurement and disclosure requirements. We have evaluated and adopted the pronouncement and do not expect it to have a material effect on our financial statements.

In December 2011, the FASB issued Accounting Standards Update No. 2011-11, "Balance Sheet (Topic 210), Disclosures about Offsetting Assets and Liabilities." The Boards initially proposed a joint model describing when it is appropriate to offset financial assets and liabilities on the balance sheet that would have been close to the more restrictive IFRS approach, but instead decided to focus on developing common disclosure requirements. New disclosures are required to enable users of financial statements to understand significant quantitative differences in balance sheets prepared under US GAAP and IFRS related to the offsetting of financial instruments. The existing US GAAP guidance allowing balance sheet offsetting, including industry-specific guidance, remains unchanged. The Company does not offset financial instruments and therefore does not expect the adoption of ASU 2011-11 to have a material effect on our financial statements. In January 2013, ASU 2013-013, "Balance Sheet (Topic 210), "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities" was issued by the FASB. The ASU addresses offsetting derivative assets and liabilities and will affect comparative financial statements as disclosures will be applied retrospectively. The ASU is effective for fiscal years beginning on or after January 1, 2013 with no early adoption. We have evaluated and adopted the pronouncement and do not expect it to have a material effect on our financial statements.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, "Presentation of Comprehensive Income". In December 2011, the FASB issued Accounting Standards Update No. 2011-12 deferring the effective date of ASU 2011-05. ASU 2022-05 amends the guidance in ASC 220 "Comprehensive Income" by eliminating the option to present components of other comprehensive income (OCI) in the statement of stockholders' equity. Instead, the new guidance now requires entities to present all non-owner changes in stockholders' equity either as a single continuous statement of comprehensive income or as two separate but consecutive statements. In February 2013, the FASB issued Accounting Standards Update No. 2013-02, "Comprehensive Income (Topic 220), Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income", effective for periods beginning after December 15, 2012. We have evaluated and adopted the pronouncement and do not not expect it to have a material effect on our financial statements.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required under Regulation S-K for “smaller reporting companies.”

ITEM 4 - CONTROLS AND PROCEDURES

a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934 as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2013, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

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

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. We are not currently aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

We are currently a party to 12 legal proceedings we initiated in the United States District Court Eastern District of Texas against 13 alleged infringers of our United States Patent #7,822,816. In each action, we claimed that each of defendants, directly or through intermediaries, made, has made, used, imported, provided, supplied, distributed, sold, and/or offered for sale products and/or systems that infringed one or more claims of United States Patent #7,822,816. We asked the Court for relief, including permanent injunctions, damages and costs we incurred because of the infringing activities, including interest and attorney fees. Any resulting litigation, however, will be subject to inherent uncertainties and the favorable outcome of any litigation is inestimable.

A summary of the legal proceedings initiated by the Company that are still outstanding and the status of legal proceedings that have been resolved since last reported is as follows:

Filing Date	Defendant	Case Number	Status	Date of Disposition (if any)
21-Dec-11	American Airlines, Inc.	6:11-CV-685	Open	N/A
30-Jan-12	Newegg Inc.	6:12-CV-46	Open	N/A
17-Feb-12	GEICO Casualty Company and Government Employees Insurance Company	6:12-CV-74	Open	N/A
17-Feb-12	GEICO Insurance Agency, Inc.	6:12-CV-74	Open	N/A
18-Jun-12	LinkedIn Corporation	6:12-CV-385	(b)	7/8/2013
26-Jun-12	Fareportal, Inc.	6:12-CV-416	(b)	4/30/2013
5-Oct-12	Redbox Automated Retail, LLC	6:12-CV-744	(b)	7/22/2013
4-Dec-12	Sears Holdings Management Corporation et al	6:12-CV-916	Open	N/A
21-Dec-12	Home Depot U.S.A., Inc.	6:12-CV-976	(b)	6/19/2013
21-Dec-12	SkyMall, Inc.	6:12-CV-977	Open	N/A
21-Dec-12	Dollar Thrifty Automotive Group, Inc. et al	6:12-CV-979	(a)	2/11/2013
21-Dec-12	CVS Pharmacy, Inc.	6:12-CV-980	(b)	5/9/2013
25-Feb-13	Costco Wholesale Corporation	6:13-CV-198	Open	N/A
25-Feb-13	Fandango, Inc. et al	6:13-CV-199	(b)	5/3/2013
25-Feb-13	GameStop Corp, et al	6:13-CV-200	Open	N/A
25-Feb-13	Gilt Groupe Holdings, Inc. et al	6:13-CV-201	Open	N/A
25-Feb-13	Kohl's Department Stores, Inc. et al	6:13-CV-202	Open	N/A
25-Feb-13	The Kroger Co.	6:13-CV-203	(b)	5/14/2013
26-Feb-13	Nordstrom, Inc. et al	6:13-CV-204	Open	N/A
26-Feb-13	Pandora Media, Inc.	6:13-CV-205	Open	N/A
26-Feb-13	RueLaLa, Inc. et al	6:13-CV-206	(b)	5/24/2013
26-Feb-13	Staples, Inc. et al	6:13-CV-207	Open	N/A

(a) Lawsuit dismissed without prejudice
(b) Lawsuit dismissed with prejudice pursuant to a settlement agreement

Item 1A. Risk Factors

Not required under Regulation S-K for “smaller reporting companies.”

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

Stock issuances

During the quarter ended June 30, 2013, the Company issued 1,019,231 shares of compensation shares to a management executive in lieu of $26,500 cash compensation for services rendered during the first quarter of 2013 which had been recorded at a value of $1,019 in stock based compensation based upon individual's tax elections. The shares were awarded on Restricted Stock Agreements which have a six month time lapse restriction and are subject to forfeiture upon voluntary termination of employment.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

31.01	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.01	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 INS	XBRL Instance Document*
101 SCH	XBRL Taxonomy Extension Schema Document*
101 CAL	XBRL Taxonomy Calculation Linkbase Document*
101 LAB	XBRL Taxonomy Labels Linkbase Document*
101 PRE	XBRL Taxonomy Presentation Linkbase Document*
101 DEF	XBRL Taxonomy Extension Definition Linkbase Document*

* Users of this data are advised pursuant to Rule 406T of Regulation S-T that this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

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.

MACROSOLVE, INC.

Date: Aug 26, 2013	By: /s/ JAMES C. MCGILL James C. McGill Chief Executive Officer (Principal Executive Officer)
Date: Aug 26, 2013	By: /s/ KENDALL CARPENTER Kendall Carpenter Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 31.01

CERTIFICATION

I, James C. McGill, certify that:

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

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

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

   (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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable 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: Aug 26, 2013

/s/ JAMES C. MCGILL
James C. McGill

Principal Executive Officer

EXHIBIT 31.02

CERTIFICATION

I, Kendall Carpenter, certify that:

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

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

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

   (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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonable 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: Aug 26, 2013

/s/ KENDALL CARPENTER
Kendall Carpenter
Chief Financial Officer

Exhibit 32.01

EXHIBIT 32.1

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, James C. McGill, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of MacroSolve, Inc. on Form 10-Q for the fiscal quarter ended June 30, 2013 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of MacroSolve, Inc.

	By:	/s/ JAMES C. MCGILL
Date: Aug 26, 2013	Name:	James C. McGill
	Title:	*Chief Executive Officer*

I, Kendall Carpenter, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of MacroSolve, Inc. on Form 10-Q for the fiscal quarter ended June 30, 2013 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in this Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of MacroSolve, Inc.

	By:	/s/ KENDALL CARPENTER
Date: Aug 26, 2013	Name:	Kendall Carpenter
	Title:	*Chief Financial Officer*