

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

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

For the quarterly period ended: March 31, 2012

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: 000-50302

**SILVERSUN TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

16-1633636

(IRS Employer Identification No.)

5 Regent Street

Livingston, NJ 07039

(Address of principal executive offices)

(973) 758-9555

(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 past 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or 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  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 May 14, 2012, there were 116,900,633 shares outstanding of the registrant's common stock.

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**SILVERSUN TECHNOLOGIES, INC.**

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**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statement**

**SILVER SUN TECHNOLOGIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)**

ASSETS	<u>March 31, 2012</u>	<u>December 31, 2011</u>
Current assets:		
Cash and cash equivalents	\$ 99,952	\$ 233,722
Accounts receivable, net of allowance of \$41,000 and \$41,000	1,164,352	881,217
Inventories	-	11,617
Prepaid expenses and other current assets	39,700	103,407
Total current assets	<u>1,304,004</u>	<u>1,229,963</u>
Property and equipment, net of accumulated depreciation of \$612,000 and \$593,000	166,917	137,948
Intangible assets	126,056	95,445
Deposits and other assets	<u>48,011</u>	<u>57,921</u>
Total assets	<u>\$ 1,644,988</u>	<u>\$ 1,521,277</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,176,966	\$ 1,260,045
Accrued interest	10,818	7,675
Due to related parties	5,111	6,335
Capital lease obligations	55,253	64,367
Deferred revenue	1,209,409	1,015,750
Notes payable to related parties	20,000	20,000
Convertible promissory note – related party, net of discount of \$-0- and \$4,250	7,054	46,750
Total current liabilities	<u>2,484,611</u>	<u>2,420,922</u>
Commitments and contingencies	-	-
Stockholders' deficit:		
Preferred stock, \$1.00 par value; authorized 1,000,000 shares; No shares issued and outstanding	-	-
Series A Convertible Preferred Stock, \$1.00 par value; authorized 2 shares; no shares issued and outstanding at March 31, 2012, and 2 shares issued and outstanding at December 31, 2011	-	22,886
Series B Preferred Stock, 1.00 par value; authorized 1 share; 1 shares issued and outstanding	1	1
Common stock:		
Class A – par value \$.0001; authorized 750,000,000 shares; 116,800,933 and 4,456,912 shares issued and outstanding	11,680	446
Class B – par value \$.0001; authorized 50,000,000 shares; no shares issued and outstanding	-	-
Additional paid-in capital	10,153,643	9,326,572
Accumulated deficit	<u>(11,004,947)</u>	<u>(10,296,756)</u>
Total SilverSun stockholders' deficit	<u>(839,623)</u>	<u>(946,851)</u>
Non-controlling interest in SWK Technologies, Inc.	<u>-</u>	<u>47,206</u>
Total stockholders' deficit	<u>(839,623)</u>	<u>(899,645)</u>
Total liabilities and stockholders' deficit	<u>\$ 1,644,988</u>	<u>\$ 1,521,277</u>

See accompanying notes to condensed consolidated financial statements.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	<b>Three Months Ended March 31,</b>	
	<b>2012</b>	<b>2011</b>
Revenues:		
Software product, net	\$ 358,974	\$ 874,999
Service, net	2,549,885	1,886,446
Total revenues, net	<u>2,908,859</u>	<u>2,761,445</u>
Cost of revenues:		
Product	169,338	431,187
Service	1,556,347	1,128,204
Total cost of revenues	<u>1,725,685</u>	<u>1,559,391</u>
Gross profit	<u>1,183,174</u>	<u>1,202,054</u>
Selling, general and Administrative expenses :		
Selling and marketing expenses	514,350	425,158
General and administrative expenses	615,946	515,821
Share-based compensation expense	719,267	-
Depreciation and amortization	19,202	26,188
Total selling, general and administrative expenses	<u>1,868,765</u>	<u>967,167</u>
Income (loss) from operations	<u>(685,591)</u>	<u>234,887</u>
Other income (expense)		
Gain on revaluation of derivatives	-	262,788
Amortization of debt discount	(4,250)	(8,500)
Interest expense, net	(18,350)	(23,522)
Total other income (expense)	<u>(22,600)</u>	<u>230,766</u>
Net (loss) income	<u>(708,191)</u>	<u>465,653</u>
Net income (loss) attributable to the noncontrolling interest in SWK Technologies, Inc.	<u>-</u>	<u>26,014</u>
Net (loss) income attributable to SilverSun Technologies, Inc	<u>\$ (708,191)</u>	<u>\$ 439,639</u>
Net (loss) income per common share – basic	<u>\$ (0.01)</u>	<u>\$ 0.10</u>
Net (loss) income per common share – fully diluted	<u>\$ (0.01)</u>	<u>\$ 0.08</u>
Weighted Average Shares		
Basic	110,846,863	4,563,600
Diluted	110,846,863	5,521,811

See accompanying footnotes to the condensed consolidated financial statements.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT**  
**FOR THE PERIODS ENDED DECEMBER 31, 2011 AND MARCH 31, 2012**

	Series A Preferred Stock		Series B Preferred Stock		Common Stock Class A		Additional Paid in Capital	Accumulated Deficit	Noncontrolling Interest in SWK Technologies, Inc.	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at January 1, 2012	2	\$ 22,886	1	\$ 1	4,456,912	\$ 446	\$ 9,326,572	\$ (10,296,756)	\$ 47,306	\$ (899,645)
Exchange of shares of SWK for shares of SilverSun Technologies, Inc	-	-	-	-	22,664,678	2,266	44,940	-	(47,206)	-
Conversion of Series A Preferred Stock to common stock accrued expenses	(2)	(22,886)	-	-	2,385,650	239	22,647	-	-	-
Conversion of convertible promissory note to common stock	-	-	-	-	86,793,693	8,679	35,267	-	-	43,946
Share-Based Compensation	-	-	-	-	-	-	719,267	-	-	719,267
Issuance of common stock for services	-	-	-	-	500,000	50	4,950	-	-	5,000
Net loss	-	-	-	-	-	-	-	(708,191)	-	(708,191)
Balance at March 31, 2012	-	-	1	\$	116,800,933	\$ 11,680	\$ 10,153,643	\$ (11,004,947)	-	\$ (839,623)

See accompanying footnotes to the condensed consolidated financial statements.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31,**  
**(Unaudited)**

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Net income (loss)	\$ (708,191)	\$ 465,653
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	19,202	26,188
Amortization of debt discount	4,250	8,500
Share-based compensation	719,267	-
Common stock issued for services	5,000	-
Derivative liability in excess of debt discount	-	54,000
Gain on revaluation of derivative liability	-	(316,788)
Return of shares for services not rendered	-	(65,000)
Changes in assets and liabilities:		
Accounts receivable	(283,135)	(191,070)
Inventory	11,617	-
Prepaid expenses and other current assets	63,707	35,231
Deposits and other assets	9,910	-
Accounts payable and accrued expenses	(83,079)	278,927
Accrued interest	3,143	22,580
Deferred revenue	193,659	418,942
Due to related parties	(1,224)	23,902
Net cash provided by (used in) operating activities	<u>(45,874)</u>	<u>761,065</u>
Cash flows from investing activities:		
Acquisition of intangible assets	(30,611)	-
Purchase of property and equipment	(48,171)	(18,917)
Net cash used in investing activities	<u>(78,782)</u>	<u>(18,917)</u>
Cash flows from financing activities:		
Proceeds from convertible promissory note – related party	-	51,000
Repayment of convertible debentures	-	(205,000)
Principal payments under capital leases obligations	(9,114)	(5,524)
Net cash used in financing activities	<u>(9,114)</u>	<u>(159,524)</u>
Net increase (decrease) in cash and cash equivalents	(133,770)	582,624
Cash and cash equivalents – beginning of period	<u>233,722</u>	<u>104,344</u>
Cash and cash equivalents – end of period	<u>\$ 99,952</u>	<u>\$ 686,968</u>
Cash paid during period for:		
Interest expense	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying footnotes to the condensed consolidated financial statements.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011**

SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES

For the three months ended March 31, 2012:

- a) The Company converted \$43,946 of the Convertible Promissory Note at a fixed conversion rate of 1,975 shares per \$1 for 86,793,693 shares of Class A common stock.
- b) The Company issued 500,000 shares of Class A common stock for services with a fair value of \$5,000.
- c) The Company converted 2 shares of Series A Convertible preferred stock for 2,385,650 shares of Class A common stock.
- d) The Company bought back their 20% interest in SWK Technologies, Inc. for 22,664,678 shares of Class A common stock.

For the three months March 31, 2011:

- a) The Company recorded a derivative liability of \$105,000 related to a conversion feature embedded in the \$51,000 convertible note issued during the period to an executive officer of the Company. The derivative liability was recorded as debt discount and the excess as an expense on the statement of operations as other income expense.

See accompanying footnotes to the condensed consolidated financial statements.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION**

Description of Business

SilverSun Technologies, Inc. (the “Company”) is an information technology company, and a value added reseller and master developer for Sage Software’s MAS 90/200/500 and ERP X3 financial and accounting software as well as the publisher of its own proprietary Electronic Data Interchange (EDI) software, “MAPADOC.” The Company focuses on the business software and information technology consulting market, and is looking for other opportunities to grow its business. The Company sells services and products to various end users, manufacturers, wholesalers and distributor industry clients located throughout the United States.

The Company is publicly traded and is currently quoted on the Over-the-Counter Bulletin Board (“OTCBB”) under the symbol “SSNT.”

Basis of Presentation

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly the financial position of SilverSun Technologies, Inc. as of March 31, 2012, the results of operations and cash flows for the three months ended March 31, 2012 and 2011. These results are not necessarily indicative of the results to be expected for the full year.

The financial statements have been prepared in accordance with the requirements of Form 10-Q and consequently do not include disclosures normally made in an Annual Report on Form 10-K. The December 31, 2011 balance sheet included herein was derived from the audited financial statements included in the Company’s annual report on Form 10-K as of that date. Accordingly, the financial statements included herein should be reviewed in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Summary of Significant Accounting Policies

During 2012, there have been no material changes in the Company’s significant accounting policies to those previously disclosed in the Company’s Form 10-K for the year ended December 31, 2011.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. A reclassification in the condensed balance sheet of approximately \$95,000 from prepaid expenses and other current assets to intangible assets had no impact on the financial position, operations or cash flows as of December 31, 2011.

**NOTE 2 – NET INCOME (LOSS) PER COMMON SHARE**

The Company’s basic income per common share is based on net income for the relevant period, divided by the weighted average number of common shares outstanding during the period. Diluted income per common share is based on net income, divided by the weighted average number of common shares outstanding during the period, including common share equivalents, such as outstanding warrants and beneficial conversion of related party accounts. The computation of diluted loss per share for the three months ended March 31, 2012 does not include share equivalents in the amount of 14,983,506 as they would have an anti-dilutive effect on the earnings resulting from the Company’s net loss position in that period.

**SILVERSUN TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 2 – NET INCOME (LOSS) PER COMMON SHARE (continued)**

	<b>Three Months Ended March 31, 2012</b>	<b>Three Months Ended March 31, 2011</b>
<b>Basic net income (loss) per share attributable to common shareholders computation:</b>		
Net income (loss) attributable to common stockholders	\$ (708,191 )	\$ 439,639
Weighted-average common shares outstanding	110,846,863	4,563,600
Basic net income (loss) per share attributable to common Stockholders	\$ (0.01 )	\$ 0.12
<b>Diluted net income (loss) per share attributable to common shareholders computation</b>		
Net income (loss) attributable to common stockholders	\$ (708,191 )	\$ 439,639
Weighted-average common shares outstanding	110,846,863	4,563,600
Incremental shares attributable to the common stock equivalents	-	958,211
Total adjusted weighted-average shares	110,846,863	5,521,811
Diluted net income (loss) per share attributable to common Stockholders	\$ (0.01 )	\$ 0.08

**NOTE 3 – CONVERTIBLE PROMISSORY NOTE – RELATED PARTY AND DERIVATIVE LIABILITY**

The 7% Convertible Promissory Note (“Convertible Note”), due January 28, 2012 was extended to January 28, 2013.

On January 4, 2012 the holder of the Convertible Note, Mr. Mark Meller, CEO of the Company, converted \$30,458 into 60,154,178 shares of Class A Common Stock. In addition, the holder had previously sold \$13,488 to certain employees of the Company in accordance with the options granted to them by Mr. Meller in January 2011, which were converted into 26,639,515 shares of Class A common stock. The shares issued to the employees were recorded as share-based compensation valued at approximately \$719,000 which was recorded in the statement of operations.

**NOTE 4 – NOTES PAYABLE TO RELATED PARTIES**

In January 2012, Mr. Meller extended the due date of the Note Payable from January 1, 2012 to January 1, 2013.

**NOTE 5 – STOCKHOLDERS’ EQUITY**

**Series A Convertible Preferred Stock**

On January 12, 2012, the Series A Convertible Preferred Stock was converted into 2,385,650 shares of Class A Common Stock.

**Series B Preferred Stock**

The Series B Preferred Stock has the rights, privileges, preferences and restrictions set for in the Certificate of Designation (the “Certificate of Designation”) filed by the Corporation with the Secretary of State of the State of Delaware (“Delaware Secretary of State”) on September 23, 2011.

The one (1) share of the Series B Preferred shall have voting rights equal to (x) the total issued and outstanding Common Stock and preferred stock eligible to vote at the time of the respective vote divided by (y) forty nine one-hundredths (0.49) minus (z) the total issued and outstanding Common Stock and preferred stock eligible to vote at the time of the respective vote. For the avoidance of doubt, if the total issued and outstanding Common Stock eligible to vote at the time of the respective vote is 5,000,000, the voting rights of the Series B Preferred Stock shall be equal to 5,204,082 (e.g.  $(5,000,000 / 0.49) - 5,000,000 = 5,204,082$ ).

**NOTE 6 - NONCONTROLLING INTEREST**

On January 12, 2012, SilverSun Technologies, Inc. entered into a share exchange agreement with certain shareholders and the President (the “SWK Shareholders”) of SWK Technologies, Inc to purchase the remaining 20% interest from the SWK’s non-controlling shareholders. Pursuant to the terms of the Agreement, the non controlling shareholders exchanged an aggregate of 25 shares of SWK for a total of 22,664,678 shares (the “Exchange Shares”) of the Company’s Class A common stock.

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

This quarterly report on Form 10-Q and other reports filed by SilverSun Technologies, Inc. (the "Company") from time to time with the U.S. Securities and Exchange Commission (the "SEC") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, the Company's management as well as estimates and assumptions made by Company's management. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. When used in the filings, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan," or the negative of these terms and similar expressions as they relate to the Company or the Company's management identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties, assumptions, and other factors, including the risks contained in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, relating to the Company's industry, the Company's operations and results of operations, and any businesses that the Company may acquire. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance, or achievements. Except as required by applicable law, including the securities laws of the United States, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result. The following discussion should be read in conjunction with our consolidated financial statements and notes thereto appearing elsewhere in this report.

### **Overview**

In June 2011, the Company changed its name from Trey Resources, Inc. to SilverSun Technologies, Inc. The Company focuses on the business software and information technology consulting market, and is looking to acquire other companies in this industry. SWK Technologies, Inc. ("SWK Technologies"), the Company's subsidiary and the surviving company from the acquisition and merger with SWK, Inc., is a New Jersey-based information technology company, value added reseller, and master developer of licensed accounting and financial software published by Sage Software. SWK Technologies also publishes its own proprietary supply-chain software, the Electronic Data Interchange (EDI) solution "MAPADOC." SWK Technologies sells services and products to various end users, manufacturers, wholesalers and distribution industry clients located throughout the United States, along with network services provided by the Company.

We continue to develop and increase our existing business by aggressively seeking new business and offering solutions to our customers, including our own proprietary EDI software. We specialize in ERP software sales and implementation, programming, and training and technical support, aimed at improving the financial reporting and operational efficiencies of small and medium sized companies. The sale of our financial accounting software is concentrated in the northeastern United States, while our EDI software and programming services are sold to corporations nationwide.

Additionally, it is our intention to increase our business by seeking additional opportunities through potential acquisitions, partnerships or investments. Such acquisitions, partnerships or investments may consume cash reserves or require additional cash or equity. Our working capital and additional funding requirements will depend upon numerous factors, including: (i) strategic acquisitions or investments; (ii) an increase to current company personnel; (iii) the level of resources that we devote to sales and marketing capabilities; (iv) technological advances; and (v) the activities of competitors.

### *Revenues*

All revenues reported by the Company are derived from the sales and service of Sage Software, MAPADOC, and other third-part software products to various end users, manufacturers, wholesalers and distribution industry clients located throughout the United States, along with consulting and customer support and network services provided by the Company.

Revenues for the three months ended March 31, 2012, increased \$147,414 (5.3%) to \$2,908,859, as compared to \$2,761,445 for the three months March 31, 2011. These sales were all generated by the Company's operating subsidiary, SWK Technologies. Increases in sales from consulting services, network hardware sales, and service agreements were partially offset by a decrease in software sales. This increase is primarily due to the continued marketing efforts and very competitive pricing. Certain sales the Company anticipated to close in the first quarter have been postponed to the second quarter and beyond.

### *Gross Profit*

Gross profit for the three months ended March 31, 2012, decreased \$18,880 (1.6%) to \$1,183,174, as compared to \$1,202,054, for the three months ended March 31, 2011. For the three months ended March 31, 2012, the gross profit percentage was 40.7%, as compared to 43.5% for the three months ended March 31, 2011. The mix of products being sold by the Company changes from time to time and sometimes causes the overall gross margin percentage to vary. The change in sales mix for the three ended March 31, 2011, resulted in gross profit being lower as a percent of sales as compared to the three months ended March 31, 2012.

### *Operating Expenses*

Selling and marketing expenses increased \$89,192 (21%) to \$514,350 for the three months ended March 31, 2012 as compared to \$425,158 for the three months ended March 31, 2011 as a result of the continued increase in sales activity.

General and administrative expenses increased \$100,175 (19.4%) to \$615,996 for the three months ended March 31, 2012 as compared to \$515,821 for the three months ended March 31, 2011 primarily as a result of increases in professional fees and investor relations expenses.

On January 4, 2012 in accordance with options granted in January 2011, Mr. Meller sold portions of his Convertible Note payable to certain employees of SWK Technologies, Inc. in the amount of \$13,235. On January 4, 2012, Mr. Meller converted \$30,458 of the Convertible Note into 60,154,178 shares of Class A Common Stock, and those certain employees converted the \$13,238 into 23,139,523 shares of Class A Common Stock. As a consequence the Company recognized \$719,267 expense in 2012.

### *Other Income*

Total other expense for the three months ended March 31, 2012 was \$22,600, as compared to other income of \$230,766 for the three months ended March 31, 2011. This change is primarily attributed to the gain on the revaluation of derivative for the three months ended March 31, 2011.

### *Net Income (Loss)*

For three months ended March 31, 2012, the Company had a net loss of \$708,191, as compared to net income of \$465,639 for the three months ended March 31, 2011. This change is primarily attributed share-based compensation expense for the three months ended March 31, 2012 and the other factors as described above.

## **Liquidity and Capital Resources**

We are currently seeking additional operating income opportunities through potential acquisitions or investments. Such acquisitions or investments may consume cash reserves or require additional cash or equity. Our working capital and additional funding requirements will depend upon numerous factors, including: (i) strategic acquisitions or investments; (ii) an increase to current company personnel; (iii) the level of resources that we devote to sales and marketing capabilities; (iv) technological advances; and (v) the activities of competitors.

In addition to developing new products, obtaining new customers and increasing sales to existing customers, management plans to achieve profitability through acquisitions of companies in the business software and information technology consulting market with solid revenue streams, established customer bases, and positive cash flow.

On December 30, 2005, the Company entered into a Securities Purchase Agreement with YA Global Investments, L.P (YA Global). Pursuant to such purchase agreement, YA Global purchased \$2,359,047 of secured convertible debentures, which are convertible into shares of the Company's Class A common stock. Two such debentures were issued on December 30, 2005 for an aggregate of \$1,759,047, interest payable at the rate of 7.5% per annum, and included a debenture was issued on May 6, 2006 equal to \$600,000 with interest payable at the rate of 7.5% per annum (the "YA Global Debentures").

On November 9, 2010, the YA Global Convertible Debentures to YA Global were amended with the maturity date being extended to December 31, 2011. This amendment required an initial payment of \$175,000 due on January 28, 2011, with additional monthly payments of \$10,000 to be made for the following eleven months ending December 1, 2011. The remaining principal and all accrued interest is due on December 31, 2011. This agreement also modified and fixed the conversion price at \$.0001, but is also subject to price protection features. The YA Global Debentures are also not convertible during 2011, provided that the payments required by the amended agreement have been made in a timely fashion. During the first three months of 2011, the Company made payments in the amount of \$205,000 in accordance with the terms of the amendment. In April 2011, the Company paid YA Global \$530,000 to satisfy any and all obligations owed to YA Global, including outstanding principal, accrued interest and liquidated damages. As a result, the Company recorded a gain on the extinguishment of debt in the amount of \$1,461,660 and is recorded as other income in the accompanying statement of operations.

In October the Company negotiated a line of credit from a bank. The agreement included a borrowing base calculation tied to accounts receivable with a maximum availability of \$750,000. Interest on outstanding balances is payable daily at an interest rate that is two and three quarter percentage points (2.75%) above the Prime Rate. The Company's interest rate was 6% at March 31, 2012. The line was collateralized by substantially all of the assets of the Company and is personally guaranteed by the Company's Chief Executive Office, Mr. Mark Meller. The credit facility required the Company to pay a monitoring fee of 0.315% of eligible collateral to be paid monthly. An annual facility fee equal to one percent (1%) of the Maximum Credit is assessed upon the initial funding, annually thereafter. The term of the agreement is for three years and expires in October 2014. As of March 31, 2012, the Company was in compliance with of the loan covenants. As of March 31, 2012, the Company has no outstanding balance against this line. The available line at March 31, 2012 was \$696,521.

During the three months ended March 31, 2012, the Company had a net decrease in cash of \$133,770. The Company's principal sources and uses of funds were as follows:

### *Cash provided by (used in) operating activities*

The Company used \$45,874 in cash for operating activities for the three months ended March 31, 2012, as compared to providing \$761,065 of cash for operating activities for the three months ended March 31, 2011. This decrease in cash used in operating activities is primarily attributed to a decrease in cash from deferred revenues and a reduction accounts payable and accrued expenses.

### *Cash used in investing activities*

Investing activities for the three months ended March 31, 2012 used cash of \$78,782, as compared to using \$18,917 of cash for the three months ended March 31, 2011. This increase in cash used is attributed to the increase in purchases of property, and equipment and intangible assets.

*Cash provided by (used in) financing activities*

Financing activities for the three months ended March 31, 2012 used cash of \$9,114, as compared to using \$159,524 of cash for the three months ended March 31, 2011. This decrease in cash used is the repayment of convertible debentures during the three months ended March 31, 2011.

The Company believes that it has adequate liquidity to fund its operating plans for at least the next twelve months.

There was no significant impact on the Company's operations as a result of inflation for the three months ended March 31, 2012. These financial statements should be read in conjunction with the Company's Annual Report on Form 10-K to the SEC for the fiscal year ended December 31, 2011.

**Off Balance Sheet Arrangements**

During the three months ended March 31, 2012, we did not engage in any material off-balance sheet activities nor have any relationships or arrangements with unconsolidated entities established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Further, we have not guaranteed any obligations of unconsolidated entities nor do we have any commitment or intent to provide additional funding to any such entities.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We do not hold any derivative instruments and do not engage in any hedging activities.

**Item 4. Controls and Procedures**

*(a) Evaluation of Disclosure Controls and Procedures*

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports we file pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO"), to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide a reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Management designed the disclosure controls and procedures to provide reasonable assurance of achieving the desired control objectives.

We carried out an evaluation, under the supervision and with the participation of our management, including our PEO and PFO, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based upon that evaluation, the PEO and PFO concluded that the Company's disclosure controls and procedures were effective.

*(b) Changes in Internal Control over Financial Reporting*

There have been no changes in our internal controls over financial reporting (as such term is defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act) during the quarter ended March 31, 2012, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

We are not currently involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

### Item 1A. Risk Factors

We believe there are no changes that constitute material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the SEC on March 29, 2012.

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

Other than disclosed above, there were no unregistered sales of equity securities during the period ended March 31, 2012, that were not otherwise required to be disclosed in a current report on Form 8-K.

### Item 3. Defaults Upon Senior Securities

There has been no default in the payment of principal, interest, sinking or purchase fund installment, or any other material default, with respect to any indebtedness of the Company.

### Item 4. Mine Safety Disclosures

Not Applicable.

### Item 5. Other Information

There is no other information required to be disclosed under this item which has not been previously reported.

### Item 6. Exhibits

- |         |  |
|---------|--|
| 10.1    | Share Exchange Agreement, dated January 12, 2012, by and among SilverSun Technologies, Inc. and certain signatories thereto (incorporated by reference to exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on January 20, 2012) |
| 31.1    | <a href="#">Certification by the Principal Executive Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).*</a>  |
| 31.2    | <a href="#">Certification by the Principal Accounting Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).*</a>   |
| 32.1    | <a href="#">Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</a>   |
| 32.2    | <a href="#">Certification by the Principal Accounting Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*</a>  |
| 101.INS | XBRL Instance Document   |
| 101.SCH | XBRL Taxonomy Extension Schema   |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase   |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase  |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase   |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase  |

\* Filed herewith

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

**SILVERSUN TECHNOLOGIES, INC.**

Dated: May 16, 2012

By: /s/ Mark Meller  
Mark Meller  
Chief Executive Officer (Principal Executive Officer)  
Chief Financial Officer (Principal Accounting Officer)



**EXHIBIT 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Mark Meller, certify that:

1. I have reviewed this Form 10-Q of SilverSun Technologies, 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 present in this report;
4. Along with the Principal Accounting Officer, I am 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. 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 reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 16, 2012

By: /s/ Mark Meller  
Mark Meller  
Principal Executive Officer  
SilverSun Technologies, Inc.



**EXHIBIT 31.2**

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Mark Meller, certify that:

1. I have reviewed this Form 10-Q of SilverSun Technologies, 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 present in this report;
4. Along with the Principal Executive Officer, I am 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. 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 reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 16, 2012

By: /s/ Mark Meller  
Mark Meller  
Principal Accounting Officer  
SilverSun Technologies, Inc.



**EXHIBIT 32.1**

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

In connection with this Quarterly Report of SilverSun Technologies, Inc. (the "Company"), on Form 10-Q for the quarter ended March 31, 2012, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Mark Meller, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 16, 2012

By: /s/ Mark Meller  
Mark Meller  
Principal Executive Officer  
SilverSun Technologies, Inc.



**EXHIBIT 32.2**

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

In connection with this Quarterly Report of SilverSun Technologies, Inc. (the "Company"), on Form 10-Q for the quarter ended March 31, 2012, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Mark Meller, Principal Accounting Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 16, 2012

By: /s/ Mark Meller  
Mark Meller  
Principal Accounting Officer  
SilverSun Technologies, Inc.

