

Sports Properties Acquisition Corp.
Form 10-Q
November 12, 2009
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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 September 30, 2009

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 001-33918

SPORTS PROPERTIES ACQUISITION CORP.

(Exact name of registrant as specified in its charter)

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DELAWARE
(State of Incorporation)

74-3223265
(IRS Employer Identification No.)

437 MADISON AVENUE, NEW YORK, NEW YORK 10022

(Address of principal executive offices) (Zip Code)

(212) 328-2100

(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

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 (§ 232.05 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. (Check one):

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 Act). Yes No

The number of outstanding shares of the registrant's common stock on November 11, 2009 was 26,945,371 shares.

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This report contains forward-looking statements relating to future events and our future performance within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements regarding our expectations, beliefs, intentions, or future strategies that are signified by the words, expects, anticipates, intends, believes, or similar language. Actual results could differ materially from those anticipated in such forward-looking statements. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any forward-looking statements. We caution investors that our business and financial performance are subject to substantial risks and uncertainties.

PART I FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****SPORTS PROPERTIES ACQUISITION CORP.**

(a corporation in the development stage)

Balance Sheets

	September 30, 2009 (unaudited)	December 31, 2008
Assets		
Current assets		
Cash	\$ 264,461	\$ 1,233,134
Cash and cash equivalents trust account	214,821,806	215,200,539
Prepaid expenses, and other	916,633	420,163
Deferred tax asset	673,897	
Total assets	\$ 216,676,797	\$ 216,853,836
Liabilities and stockholders equity		
Current liabilities		
Accrued expenses	\$ 1,817,855	\$ 260,508
Deferred underwriters fees	9,296,154	9,296,154
Due to affiliate	85,433	
Total current liabilities	11,199,442	9,556,662
Common stock , subject to possible redemption, 6,466,888 shares, at redemption value (note 1)	64,668,880	64,668,880
Commitments		
Stockholders equity		
Preferred stock, \$0.001 par value, 1,000,000 shares authorized; none issued and outstanding		
Common stock, \$0.001 par value, 100,000,000 shares authorized; 26,945,371 shares issued and outstanding	26,945	26,945
Additional paid-in capital	141,448,369	141,448,369
Earnings (deficit) accumulated during the development stage	(666,839)	1,152,980
Total stockholders equity	140,808,475	142,628,294
Total liabilities and stockholders equity	\$ 216,676,797	\$ 216,853,836

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The accompanying notes should be read in conjunction with the financial statements.

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(a corporation in the development stage)

Statements of Operations

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the period from July 3, 2007 (Inception) to September 30, 2009
	2009	2008	2009	2008	2009
Interest income	\$ 42,606	\$ 844,854	\$ 125,715	\$ 3,301,973	\$ 3,791,260
Legal expense paid to related party	335,000	23,897	968,737	66,749	1,040,943
Professional fees	233,393	490,077	643,974	490,077	1,516,594
Franchise tax expense	324,201		729,582		888,091
Insurance expense	27,372	27,373	82,117	77,555	187,044
Administrative fees paid to affiliate	22,500	22,500	67,500	63,750	153,750
Organization costs and other operating expenses	25,371	82,702	127,521	100,667	399,888
Total expenses	967,837	646,549	2,619,431	798,798	4,186,310
Income (loss) before income taxes	(925,231)	198,305	(2,493,716)	2,503,175	(395,050)
Provision (benefit) for income taxes	(140,612)	83,833	(673,897)	1,124,089	271,789
Net income (loss)	\$ (784,619)	\$ 114,472	\$ (1,819,819)	\$ 1,379,086	\$ (666,839)
Net income (loss) per share basic and diluted	\$ (0.03)	\$ 0.00	\$ (0.07)	\$ 0.05	
Weighted average shares outstanding basic and diluted	26,945,371	26,945,371	26,945,371	25,124,651	

The accompanying notes should be read in conjunction with the financial statements.

Table of Contents**SPORTS PROPERTIES ACQUISITION CORP.**

(a corporation in the development stage)

Statements of Stockholders Equity

	Common Stock		Additional	Earnings	Total
	Shares	Amount	Paid-in Capital	(Deficit)	Stockholders
				Accumulated	Equity
				During the	
				Development	
				Stage	
Balance at July 3, 2007 (Inception)		\$	\$	\$	\$
Issuance of common stock on September 12, 2007 at \$0.01 per share for cash	5,750,000	5,750	51,750		57,500
Net loss				(8,347)	(8,347)
Offering expenses contributed by affiliate			144,504		144,504
Balance at December 31, 2007	5,750,000	5,750	196,254	(8,347)	193,657
Net income				1,161,327	1,161,327
Issuance of 6,000,000 warrants on January 17, 2008 at \$1.00 per warrant for cash			6,000,000		6,000,000
Issuance of 20,000,000 units (1 share of common stock and 1 warrant) to public stockholders on January 24, 2008 at \$10 per unit for cash, net of offering costs and shares subject to redemption	20,000,000	20,000	125,576,857		125,596,857
Issuance of 1,556,300 units (1 share of common stock and 1 warrant) to public stockholders on February 1, 2008 at \$10 per unit for cash, net of offering costs	1,556,300	1,556	9,674,897		9,676,453
Forfeiture of 360,929 shares of common stock owned by founders, at no cost, on February 1, 2008, related to underwriters overallotment not being fully exercised	(360,929)	(361)	361		
Balance at December 31, 2008	26,945,371	26,945	141,448,369	1,152,980	142,628,294
Net loss unaudited				(1,819,819)	(1,819,819)
Balance at September 30, 2009 unaudited	26,945,371	\$ 26,945	\$ 141,448,369	\$ (666,839)	\$ 140,808,475

The accompanying notes should be read in conjunction with the financial statements.

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(a corporation in the development stage)

Statements of Cash Flows

(unaudited)

	For the Nine Months Ended September 30, 2009	For the Nine Months Ended September 30, 2008	For the period from July 3, 2007 (Inception) to September 30, 2009
Cash flows from operating activities			
Net income (loss)	\$ (1,819,819)	\$ 1,379,086	\$ (666,839)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities			
Deferred tax asset	(673,897)		(673,897)
(Increase) decrease in prepaid expenses, and other	(496,470)	(273,258)	(916,633)
Increase (decrease) in accrued expenses	1,557,347	200,000	1,817,855
Organizational expenses paid by affiliate			7,703
Net cash provided by (used for) operating activities	(1,432,839)	1,305,828	(431,811)
Cash flows from investing activities			
Proceeds and earnings invested in trust account	(125,715)	(218,446,717)	(218,936,004)
Transfers from trust account to operating account	504,448	3,609,750	4,114,198
Net cash provided by (used for) investing activities	378,733	(214,836,967)	(214,821,806)