

JAKKS PACIFIC INC

Form S-3

February 18, 2011

As filed with the Securities and Exchange Commission on February 18, 2011

Registration No. 333-_____

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-3
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

JAKKS Pacific, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4527222
(I.R.S. Employer
Identification No.)

22619 Pacific Coast Highway
Malibu, California 90265
(310) 456-7799

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Stephen G. Berman
Chief Executive Officer
JAKKS Pacific, Inc.
22619 Pacific Coast Highway
Malibu, California 90265
(310) 456-7799

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Irving Rothstein, Esq.
Feder Kaszovitz LLP
845 Third Avenue
New York, New York 10022-6601
(212) 888-8200
Fax: (212) 888-7776

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement at the discretion of the selling security holder.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

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.

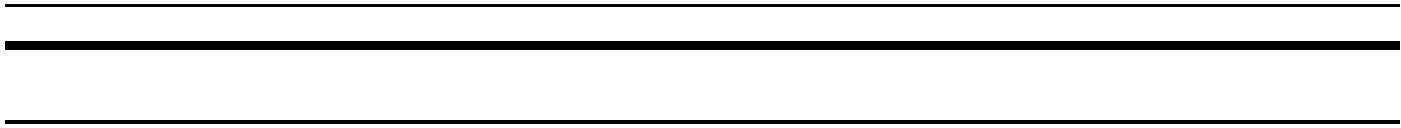
Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, par value \$.001 per share	100,000 Shares	\$ 17.64(2)	\$ 1,764,000	\$ 204.80

- (1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(c).
- (2) Pursuant to Rule 457(c), represents the average of the high and low sales prices of our common stock for February 15, 2011 as reported on the Nasdaq Global Select exchange.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.



THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING SECURITY HOLDER MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING ANY OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED FEBRUARY 18, 2011

PROSPECTUS

100,000 Shares

JAKKS Pacific, Inc.

Common Stock

This prospectus relates to 100,000 shares of our common stock, par value \$0.001 per share, issuable upon the exercise of certain outstanding warrants. The shares may be sold from time to time by the selling security holder listed under the caption "Selling Security Holder" on page 7. None of the shares registered herein will be sold for our account and we will not receive any proceeds from the sale of the common stock. However, if the selling security holder exercises the warrants we will receive \$1,135,000 which we will use for our general business and corporate purposes. See "Use of Proceeds."

The selling security holder may determine the prices at which it will sell the common stock, which prices may be at market prices prevailing at the time of such sale or some other price. The selling security holder may sell these shares through underwriters, brokers-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions. See "Plan of Distribution" or a more complete description of the ways in which the common stock may be sold.

Our common stock is traded on the Nasdaq Global Select exchange under the symbol "JAKK." On February 17, 2011, the last reported sale price of our common stock on the Nasdaq Global Select exchange was \$18.00 per share.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. SEE "RISK FACTORS" ON PAGE 1.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful and complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is _____, 2011

TABLE OF CONTENTS

	Page
Summary	i
Risk Factors	1
Forward Looking Statements	6
Use of Proceeds	6
Selling Security Holder	6
Plan of Distribution	7
Legal Matters	9
Experts	9
Incorporation of Documents by Reference	9
Where You Can Find More Information	10
Disclosure of Commission Position on Indemnification For Securities Act Liabilities	10
Exhibit 5.1	E-5.1-1
EX-23.1	E-23.1-1

ABOUT THIS PROSPECTUS

This prospectus constitutes part of a registration statement on Form S-3 that we filed with the SEC through what is known as the shelf registration process. Under this process, the selling security holder may sell the securities described in the prospectus in one or more offerings. This prospectus provides you with a general description of the securities the selling security holder may offer. A prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading “Where You Can Find More Information.”

In connection with this offering, no person is authorized to give any information or to make any representations not contained or incorporated by reference in this prospectus. If information is given or representations are made, you may not rely on that information or representations as having been authorized by us. This prospectus is neither an offer to sell nor a solicitation of an offer to buy any securities other than those registered by this prospectus, nor is it an offer to sell or a solicitation of an offer to buy securities where an offer or solicitation would be unlawful. You may not imply from the delivery of this prospectus, nor from any sale made under this prospectus, that our affairs are unchanged since the date of this prospectus or that the information contained in this prospectus is correct as of any time after the date of this prospectus. The information contained and incorporated by reference in this prospectus and any accompanying prospectus supplement is accurate only as of the date of this prospectus or the prospectus supplement or the date of the document incorporated by reference, as the case may be, regardless of the time of delivery of the prospectus.

You should not consider any information in this prospectus to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in our securities.

SUMMARY

This summary highlights information contained elsewhere in this prospectus and in filings with the Securities and Exchange Commission incorporated by reference. You should carefully read the entire prospectus, including “Risk Factors” beginning on page 1, as well as any accompanying prospectus supplement and the documents incorporated herein and therein, before investing in the common stock. When we use the terms “JAKKS,” “we,” “us,” or “our,” we are referring to JAKKS Pacific, Inc. and its subsidiaries, unless the context requires otherwise or we expressly state otherwise in this prospectus.

JAKKS Pacific, Inc.

Company Overview

We are a leading multi-line, multi-brand toy company that designs, produces, markets and distributes toys and related products, pet toys, consumables and related products, electronics and related products, kids indoor and outdoor furniture, and other consumer products. We focus our business on acquiring or licensing well-recognized trademarks and brand names, most with long product histories (“evergreen brands”). We seek to acquire these evergreen brands because we believe they are less subject to market fads or trends. We also develop proprietary products marketed under our own trademarks and brand names, and have historically acquired complementary businesses to further grow our portfolio. Our products include:

Traditional Toys

• Action figures and accessories, including licensed characters, principally based on Ultimate Fighting Champion, TNA Wrestling and Pokemon® franchises;

- Toy vehicles, including Road Champs®, and MXS® toy vehicles and accessories;
- Electronics products, including Plug It In & Play TV Games™, Spy Net products, and Laser Challenge®;

• Role-play, dress-up, pretend play and novelty products for boys and girls based on well known brands and entertainment properties such as Black & Decker®, McDonalds®, Dirt Devil®, Subway®, Pizza Hut®, Disney Princess® and Disney Fairies®, as well as those based on our own proprietary brands;

• Dolls and accessories, plush, infant and pre-school toys based on our Child Guidance®, Tollytots brands, as well as licenses, including Disney Fairies®, Cabbage Patch Kids®, Hello Kitty®, Disney Princess®, Graco® and Fisher Price®;

• Indoor and outdoor kids’ furniture, room décor; kiddie pools and pool toys, seasonal and outdoor products, including Funnoodle® pool floats;

• Halloween and everyday costumes for all ages based on licensed and proprietary non-licensed brands, including Spiderman®, Iron Man, Toy Story®, Sesame Street®, Power Rangers® and Disney Princesses®, and related Halloween accessories; and

- Private label products as “exclusives” for a myriad of retail customers in many product categories.

Craft, Activity and Writing Products

- Food play, activity kits, reusable compounds, including Girl Gourmet™, Creepy Crawlers™ and Flying Colors®.

Pet Products

Pet products, including toys, consumables, beds, clothing and accessories, branded JAKKS Pets®, some of which also feature licenses, including American Kennel Club® and The Cat Fanciers' Association™.

We continually review the marketplace to identify and evaluate popular and evergreen brands and product categories that we believe have the potential for growth. We endeavor to generate growth within these lines by:

i

- creating innovative products under our established licenses and brand names;
- adding new items to the branded product lines that we expect will enjoy greater popularity;
- infusing simple innovation and technology when appropriate to make them more appealing to today's kids;
 - linking them with our evergreen portfolio of brands; and
- focusing our marketing efforts to enhance consumer recognition and retailer interest.

Our Business Strategy

In addition to developing our proprietary brands and marks, licensing popular brands enables us to use these high-profile marks at a lower cost than we would incur if we purchased these marks or developed comparable marks on our own. By licensing marks, we have access to a far greater range of marks than would be available for purchase. We also license technology produced by unaffiliated inventors and product developers to improve the design and functionality of our products.

We sell our products through our in-house sales staff and independent sales representatives to toy and mass-market retail chain stores, department stores, office supply stores, drug and grocery store chains, club stores, toy specialty stores and wholesalers. Our three largest customers are Wal-Mart, Target and Toys 'R' Us, which accounted for approximately 23.2%, 13.7% and 12.2%, respectively, of our net sales for the nine months ended September 30, 2010. No other customer accounted for more than 10.0% of our net sales in 2010.

Our Growth Strategy

Key elements of our growth strategy include:

- Expand Core Products.
- Enter New Product Categories.
- Pursue Strategic Acquisitions.
- Acquire Additional Character and Product Licenses.
- Expand International Sales.
- Capitalize On Our Operating Efficiencies.

The execution of our growth strategy, however, is subject to several risks and uncertainties and we cannot assure you that we will continue to experience growth in, or maintain our present level of net sales (see "Risk Factors," beginning on page 1). Moreover, implementation of our growth strategy is subject to risks beyond our control, including competition, market acceptance of new products, changes in economic conditions, our ability to obtain or renew licenses on commercially reasonable terms and our ability to finance increased levels of accounts receivable and inventory necessary to support our sales growth, if any.

Furthermore, we cannot assure you that we can identify attractive acquisition candidates or negotiate acceptable acquisition terms, and our failure to do so may adversely affect our results of operations and our ability to sustain growth.

Finally, our acquisition strategy involves a number of risks, each of which could adversely affect our operating results, including difficulties in integrating acquired businesses or product lines, assimilating new facilities and personnel and

harmonizing diverse business strategies and methods of operation; diversion of management attention from operation of our existing business; loss of key personnel from acquired companies; and failure of an acquired business to achieve targeted financial results.

The Selling Security Holder

On August 15, 2003, we issued to World Wrestling Entertainment, Inc. (“WWE”) warrants (the “Warrant”) to purchase 100,000 shares of our common stock (the “Shares”) at an exercise price of \$11.35 per share. The Warrant is exercisable by WWE (or any subsequent holder of the Warrant) with respect to all or a portion of the Shares at any time prior to the expiration of the Warrant on August 14, 2013. WWE has requested us to register the Shares for offer and sale to the public. The Shares are being offered for sale through this prospectus by WWE. Only Shares issuable upon the exercise of the Warrant (and not the Warrant itself) are being registered, and may be offered and sold, under this prospectus. To sell any Shares, WWE must first purchase the Shares by exercising the Warrant. To date, WWE has not exercised the Warrant or any portion thereof.

ii

Our Corporate Information

We were formed as a Delaware corporation in 1995. Our principal executive offices are located at 22619 Pacific Coast Highway, Malibu, California 90265. Our telephone number is (310) 456-7799. Our Internet website address is www.jakks.com. The contents of the website are not part of this prospectus, nor is any of its content incorporated herein.

iii

The Offering

Issuer	JAKKS Pacific, Inc.
Seller	The selling security holder. For information about the selling security holder, see “Selling Security Holder.” We are not selling the securities to the public.
Securities Offered	100,000 shares of our common stock, par value \$.001.
Common Stock to be Outstanding After the Offering(1)	27,791,379 shares.
Registration Rights	We are agreeing to use our best efforts keep the registration statement, of which this prospectus forms a part, effective until the earlier to occur of (i) the date on which the registered shares are disposed of in accordance with this prospectus or (ii) the date when the registered shares can be immediately sold to the public without registration or restriction.
Trading	Our common stock trades on the Nasdaq Global Select exchange under the symbol “JAKK.”
Risk Factors	See “Risk Factors” beginning on page 1 for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Use of Proceeds	We will not receive any of the proceeds from the sale by the selling security holder of the shares of common stock. However, if the selling security holder exercises the warrants we will receive \$1,135,000 which we will use for our general business and corporate purposes.

(1) Does not include (1) 6,320,910 shares underlying our convertible notes; and (2) 318,265 shares underlying our outstanding options.

RISK FACTORS

An investment in the shares of common stock involves significant risks. In addition to reviewing other information in this prospectus and any accompanying prospectus supplement and the documents incorporated herein and therein, you should carefully consider the following factors before deciding to purchase the shares of common stock, as well as the risk factors referred in any accompanying prospectus supplement and the documents incorporated herein and therein. If any of these risks actually occur, our business, results of operations and financial condition could be materially adversely affected and you might lose all or part of your investment.

Our inability to redesign, restyle and extend our existing core products and product lines as consumer preferences evolve, and to develop, introduce and gain customer acceptance of new products and product lines, may materially and adversely impact our business, financial condition and results of operations.

Our business and operating results depend largely upon the appeal of our products. Our continued success in the toy industry will depend on our ability to redesign, restyle and extend our existing core products and product lines as consumer preferences evolve, and to develop, introduce and gain customer acceptance of new products and product lines. Several trends in recent years have presented challenges for the toy industry, including:

Age Compression: The phenomenon of children outgrowing toys at younger ages, particularly in favor of interactive and high technology products;

Increasing use of technology;

Shorter life cycles for individual products; and

Higher consumer expectations for product quality, functionality and value.

We cannot assure you that:

our current products will continue to be popular with consumers;

the product lines or products that we introduce will achieve any significant degree of market acceptance; or