

ALL AMERICAN SPORTPARK INC
Form 10-Q
May 17, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2010

.. TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-24970

ALL-AMERICAN SPORTPARK, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

88-0203976

(I. R. S. Employer Identification No.)

6730 South Las Vegas Boulevard

Las Vegas, NV 89119

(Address of principal executive offices)

(702) 798-7777

(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. Yesx 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 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 companyx

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes Nox

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The number of shares of Common Stock, \$ 0.001 par value, outstanding on April 26, 2010 was 3,570,000 shares.

ALL-AMERICAN SPORTPARK, INC.
FORM 10-Q
INDEX

	Page Number
PART I: FINANCIAL INFORMATION	
Item 1. Condensed Consolidated Financial Statements Condensed Consolidated Balance Sheets March 31, 2010 (unaudited) and December 31, 2009	3
Condensed Consolidated Statements of Operations For the Three Months Ended March 31, 2010 and 2009 (unaudited)	5
Condensed Consolidated Statements of Cash Flows For the Three Months Ended March 31, 2010 and 2009 (unaudited) .	6
Notes to Condensed Consolidated Financial Statements (unaudited)	7
Item 2. Management's Discussion and Analysis of Financial Condition And Results of Operations	13
Item 3. Quantitative and Qualitative Disclosures about Market Risk	20
Item 4. Controls and Procedures	20
PART II: OTHER INFORMATION	22
Item 1. Legal Proceedings	22
Item 1A. Risk Factors	22
Item 2. Changes in Securities	22
Item 3. Defaults Upon Senior Securities	22
Item 4. Submission of Matters to a Vote of Security Holders	22
Item 5. Other Information	22
Item 6. Exhibits	22
SIGNATURES	23

PART 1 FINANCIAL INFORMATION
ITEM 1 FINANCIAL STATEMENTS
ALL-AMERICAN SPORTPARK, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2010 (Unaudited)	December 31, 2009
Assets		
Current assets:		
Cash	\$ 209,321	\$ 272,750
Accounts receivable	18,674	1,193
Prepaid expenses and other	11,766	23,792
Total current assets	239,761	297,735
Fixed assets:		
Property and Equipment, net of accumulated depreciation of \$698,343 and \$685,006, respectively	1,259,542	1,246,447
Total assets	\$ 1,499,303	\$ 1,544,182
Liabilities and Stockholders (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 194,046	\$ 154,090
Current portion of notes payable related parties	4,024,120	4,025,970
Current portion due to related parties	1,085,651	1,089,040
Current portion of deferred marketing revenue	30,235	55,592
Accrued interest payable related parties	3,991,251	3,890,858
Total current liabilities	9,325,303	9,215,550
Long-term liabilities:		
Deferred rent liability	691,729	690,636
Deferred marketing revenue	1,210,868	1,215,746
Total long-term liabilities	1,902,597	1,906,382
Commitments and contingencies		

Stockholders (deficit)

Preferred stock, \$0.001 par value, 5,000,000 shares authorized, no shares issued and outstanding as of March 31, 2010 and December 31, 2009, respectively	-	-
Common stock, \$0.001 par value, 10,000,000 shares authorized, 3,570,000 shares issued and outstanding as of March 31, 2010 and December 31, 2009, respectively	3,570	3,570

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Additional paid in capital	14,274,669	14,274,669
Accumulated (deficit)	(23,840,667)	(23,671,780)
Total All-American SportPark, Inc. stockholders (deficit)	(9,562,428)	(9,393,541)
Non controlling interest in net assets of subsidiary	(166,170)	(184,209)
Total stockholder s (deficit)	(9,728,598)	(9,577,750)
Total liabilities and stockholders (deficit)	\$ 1,499,302	1,544,182

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

ALL-AMERICAN SPORTPARK, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

	Three Months Ended	
	March 31,	
	2010	2009
Revenue	\$ 558,571	\$ 550,019
Cost of revenue	158,815	104,888
Gross profit	399,756	445,131
Operating Expenses:		
General and administrative	425,947	480,791
Depreciation and amortization	13,337	20,583
Total operating expenses	439,284	501,374
Net income operating (loss)	(39,528)	(56,243)
Other income (expense):		
Interest expense	(111,320)	(128,517)
Other income (expense)	-	(14)
Total other income (expense)	(111,320)	(128,531)
Net (loss)	(150,848)	(184,774)
Net income attributable to non-controlling interests	(18,039)	0
Total net (loss)	\$ (168,887)	\$ (184,774)
Net loss per share basic and fully diluted	\$ (0.05)	\$ (0.05)
Weighted average number of common shares outstanding-basic and fully diluted	3,570,000	3,570,000

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

ALL-AMERICAN SPORTPARK, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months Ended	
	March 31,	
	2010	2009
Cash flows from operating activities		
Net income (loss)	\$ (150,848)	\$ (184,774)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation expense	13,337	20,583
Changes in operating assets and liabilities:		
Accounts receivable	(17,481)	-
Prepaid expenses	12,026	(8,823)
Bank Overdraft	-	(17,631)
Accounts payable and accrued expenses	39,957	76,979
Deferred rent liability	1,093	122,609
Deferred marketing revenue	(30,235)	-
Accrued interest payable related parties	100,393	114,186
Net cash provided (used) by operating activities	(31,758)	123,129
Cash flows from investing activities		
Purchase of property and equipment	(26,432)	-
Net cash used by operating activities	(26,432)	-
Cash flows from investing activities		
Payments on loans from related parties	(3,389)	(68,404)
Proceeds from notes payable related parties	(1,850)	30,000
Payments on notes payable related parties	-	(1,829
Payments on notes payable	-	-
Net cash used by financing activities	(5,239)	(40,233)
Net increase (decrease) in cash	(63,429)	82,894
Cash beginning	272,750	-
Cash ending	\$ 209,321	\$ 82,894
Supplemental disclosures:		
Interest paid	\$ 256	\$ -
Income taxes paid	\$ -	\$ -

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

ALL-AMERICAN SPORTPARK, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1 Basis of presentation

The condensed consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by All-American SportPark, Inc. (the Company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these consolidated interim financial statements be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2009 and notes thereto included in the Company's Form 10-K. The Company follows the same accounting policies in the preparation of consolidated interim reports.

Results of operations for the interim periods may not be indicative of annual results.

Note 2 Going concern

As of March 31, 2010, we had an accumulated deficit of \$23,840,666. In addition, the Company's current liabilities exceed its current assets by \$9,085,542 as of March 31, 2010. These conditions have raised substantial doubt about the Company's ability to continue as a going concern. Although our recent growth has greatly improved cash flows, we nonetheless need to obtain additional financing to fund payment of obligations and to provide working capital for operations. Management is seeking additional financing, and is now looking for a merger or acquisition candidate. It is management's objective to review the acquisition of interests in various business opportunities, which in their opinion will provide a profit to the Company. Management believes these efforts will generate sufficient cash flows from future operations to pay the Company's obligations and working capital needs. There is no assurance any of these transactions will occur. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Note 3 Recent accounting Policies

The FASB Accounting Standards Codification is the single official source of authoritative, nongovernmental, U.S. GAAP, in addition to guidance issued by the Securities and Exchange

Commission. This codification is designed to simplify U.S. GAAP into a single, topically ordered structure.

The Consolidation of Variable Interest Entities addresses the effect of the elimination of the qualifying special-purpose entity concept of *Accounting for Transfers of Financial Assets*. This also amends the accounting and disclosure requirements of FASB to enhance the timeliness and usefulness of information about a company's involvement in a variable interest entity.

In accordance with accounting standards *Accounting for Transfers of Financial Assets*, the objective eliminates the concept of special-purpose entity, requiring the reporting entity to provide more information about sales of securitized financial assets and similar transactions, particularly if the seller retains some risk to the assets, changes the requirements for the de-recognition of financial assets, and provides for the sellers of the assets to make additional disclosures.

In accordance with accounting standards concerning *The Fair Value Option for Financial Assets and Financial Liabilities* relates to providing guidance on when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. The update clarifies the methodology to be used to determine fair value when there is no active market or where the price inputs being used represent distressed sales. The update also reaffirms the objective of fair value measurement, which is to reflect how much an asset would be sold in an orderly transaction, and the need to use judgment to determine if a formerly active market has become inactive.

Fair Value Measurements and Disclosures clarifies the fair market value measurement of liabilities. In circumstances where a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: a technique that uses quoted price of the identical or a similar liability or liabilities when traded as an asset or assets, or another valuation technique that is consistent with the principles such as income or market approach.

Fair value measurements: An update to the accounting standards concerning fair value measurements was made in January of 2010 whereby there now exists significant transfers in and out of Levels 1 and 2 and additional disclosures that must be made for activity in Level 3. We do not anticipate the adoption of this ASU to have a material impact on our consolidated financial statements.

Receivable Loans and Debt Securities Acquired with Deteriorated Credit Quality: An improvement to the comparability by elimination of diversity in practice about treatment of modifications of loans accounted for within pools for Receivable Loans and debt securities acquired with deteriorated credit quality was approved in April 2010. The amendment clarifies guidance about maintaining the integrity of a pool as the unit of accounting for acquired loans with credit deterioration. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

Note 4 Non-controlling interest

Non-controlling interest represents the minority stockholders' proportionate share of the equity of AAGC. At March 31, 2010, we owned 51% of AAGC's capital stock, representing voting control and a majority interest. Our controlling ownership interest requires that AAGC's operations be included in the Condensed Consolidated Financial Statements contained herein. The 49% equity interest that is not owned by us is shown as Non-controlling interest in consolidated subsidiary in the Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets. As of March 31, 2010, St. Andrews Golf Shop, our minority interest partner and a related party (see Note 6) held a \$17,571 interest in the net asset value of our subsidiary AAGC and an \$183,741 interest in the net loss from operations of AAGC.

Note 5 Notes payable - related parties

As of March 31, 2010, related party notes payable consisted of the following:

	March 31, 2010	December 31, 2009
Las Vegas Golf and Tennis Paradise, Inc. , bearing interest at a rate of 10% per annum, and due on demand	\$ 3,200,149	\$ 3,200,149
BE District, LLC, bearing interest at a rate of 10% per annum, and due on demand	85,000	85,000
BE Holdings, bearing interest at a rate of 10% per annum, and due on demand	100,000	100,000
St. Andrews Golf Shop, bearing interest at a rate of 10% per annum, and due on demand	106,284	106,284
St. Andrews Golf Shop, Cisco Loan paid monthly	8,390	10,241
St. Andrews Golf Shop, bearing interest at a rate of 10% per annum, and due on demand	524,297	524,296
Total notes payable - related parties	4,024,120	4,025,970
Less current portion	4,024,120	4,025,970
Total long-term notes payable - related parties	\$ -	\$ -

We have recorded interest expense to related parties in the amounts of \$111,320 and \$114,186 during the three months ended March 31, 2010 and 2009, respectively.

Note 6 Related party transactions

Expenses

We provide administrative support to various retail entities owned in part or wholly by our chief executive officer, the sole executive officer of our majority owned subsidiary, and our chairman of the board. These costs are allocated based on an annual review of actual expenses for each entity. As of March 31, 2010 and 2009, we have recorded an estimated allocation of these expenses in the amount of \$29,317 and \$30,214, respectively.

Employment agreements

On May 18, 2009, our board of directors approved Addendum No. 2 to the Employment Agreement dated August 25, 2004 with Ronald Boreta, our chief executive officer, and the addendum was executed on June 15, 2009. Pursuant to this addendum, Mr. Boreta's employment agreement has been extended an additional three years, expiring on May 31, 2012. In addition, Mr. Boreta will receive an annual base salary of \$120,000 per annum.

On June 15, 2009, we entered into an Employment Agreement through our majority owned subsidiary, All-American Golf Center, Inc. (AAGC) with Mr. John Boreta whereby Mr. Boreta will perform management services for AAGC for a term of three years commencing on June 15, 2009 until June 14, 2012. Mr. Boreta will receive an annual salary in the amount of \$75,000. Mr. Boreta has served in this capacity with AAGC since its inception in 1997.

Stock transfer agreement

On June 15, 2009, we entered into a Stock Transfer Agreement with St. Andrews Golf Shop, Ltd. a Nevada limited liability company, which is wholly owned by Ronald Boreta, our chief executive officer and John Boreta, a principal shareholder of the Company. Pursuant to this agreement, we agreed to transfer a 49% interest in our wholly owned subsidiary, AAGC as a partial principal payment in the amount of \$600,000 on our outstanding loan due to St. Andrews Golf Shop, Ltd. In March 2009, we engaged the services of an independent third party business valuation firm, Houlihan Valuation Advisors, to determine the fair value of the business and the corresponding minority interest. Based on the Minority Value Estimate presented in connection with this appraisal, which included valuations utilizing the income, market and transaction approaches in its valuation methodology, the fair value of a 49% interest totaled \$ 600,000 .

Note 7 Commitments

Lease agreements

On October 17, 1997, we entered into a long-term operating lease for land underlying the Callaway Golf Center. Pursuant to the lease agreement, we are required to make minimum monthly lease payments, with 10% increases every 5 years throughout the term of the lease. In

addition, the lease contains a provision whereby additional rent will be due based on certain gross revenue thresholds. As of the date of this filing, no rent was due or accrued under the gross revenue provision. The initial term of the lease was for a term of fifteen years and provided for two five- year renewal options. In March of 2006, we elected to exercise our first renewal option extending the lease until 2018. We have elected to recognize our lease payments on a straight-line basis over a twenty-five year period, which includes all renewal options. Lease expense totaled \$121,511 for the three months ended March 31, 2010.

The following is a schedule by year of future minimum lease payments required under this lease agreement:

2010	\$	481,673
2011		481,673
2012		493,715
2013		529,840
2014		529,840
Thereafter		4,371,184
	\$	6,887,925

Employment agreements

We have employment agreements with two of our executives (see note 5) whereby we have agreed to annual compensation in the amount of \$195,000. As of March 31, 2010, the future minimum payments are as follows:

Related-party compensation requirements

2010	\$	195,000
2011		195,000
2012		84,375
Total	\$	474,375

Customer Agreement

On June 19, 2009, we entered into a Customer Agreement with Callaway Golf Company and St. Andrews Golf Shop, Ltd. through our majority owned subsidiary AAGC. Pursuant to this agreement, we have agreed to market and sell Callaway products exclusively through AAGC for a period of approximately three and one half years with an automatic extension to December 31, 2018 unless written notice of termination is received by November 2013. Pursuant to the agreement, Callaway Golf Company has agreed to provide funding and resources in the minimum amount of \$2,750,000 to be allocated as follows: 1) \$750,000 towards operating expenses; 2) \$750,000 facility improvements; 3) \$500,000 in range landing area improvements and 4) three payments each of \$250,000 for annual advertising expenses which will be repaid in golf merchandise. On July 1, 2009, we received the initial installment

of \$750,000. The annual payments for advertising will continue as long as Callaway Golf Company and AAGC agree to maintain that relationship. We have recognized approximately \$30,199 as income this quarter and will continue to recognize income in the amount of \$10,066 per month through the life of the agreement, which continues through December 2018 and has an additional 5-year option to coincide with the golf center land lease.

Facility Improvements began on September 14, 2009 and were completed by November 25, 2009. These improvements included an inside remodel of the golf shop, lobby and activities counter areas as well as land improvements that include a redesign/restructure of the driving range landing area.

Note 8 Stockholders' deficit

We are authorized to issue 5,000,000 shares of \$0.001 par value preferred stock and 10,000,000 shares of \$0.001 par value common stock.

Preferred stock

As of March 31, 2010, we had no preferred shares issued and outstanding.

Common stock

As of March 31, 2010, we had 3,750,000 shares of our \$0.001 par value common stock issued and outstanding. We had no new issuances during the period ended March 31, 2010.

Note 9 Subsequent events

Upon our evaluation of events and transactions that have occurred subsequent to the balance sheet date, we have determined that there are no additional material events which have occurred after the balance sheet date that would be deemed significant or require recognition or additional disclosure.

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

Forward-Looking Statements

This document contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objections of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements or belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words may, could, estimate, intend, continue, believe, expect, anticipate or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. You should, however, consult further disclosures we make in future filings of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. The factors affecting these risks and uncertainties include, but are not limited to:

- increased competitive pressures from existing competitors and new entrants;
- deterioration in general or regional economic conditions;
- adverse state or federal legislation or regulation that increases the costs of compliance, or adverse findings by a regulator with respect to existing operations;
- loss of customers or sales weakness;
- inability to achieve future sales levels or other operating results;
- the inability of management to effectively implement our strategies and business plans; and
- the other risks and uncertainties detailed in this report.

Overview of Current Operations

Our operations consist of the management and operation of the Callaway Golf Center (CGC). The CGC includes a par 3 golf course fully lighted for night golf, a 110-tee two-tiered driving range, and a 20,000 square foot clubhouse, which includes the Callaway Golf fitting center, Saint Andrews Golf Shop exclusively carrying Callaway Golf product and Back 9 Bar and Grill. CGC was just listed as the number one driving range in America by Golf Digest Magazine in their August 2009 issue.

On June 19, 2009, All-American Golf Center, Inc. (AAGC), a subsidiary of All-American SportPark, Inc. (the Company) entered into a Customer Agreement with Callaway Golf Company (Callaway) and Saint Andrews Gold Shop, Ltd. (Saint Andrews).

The Customer Agreement with Callaway provides that Callaway will provide a \$250,000 annual advertising contribution in the form of golf-related products as reimbursement for marketing dollars. In addition, AAGC will receive the following: a one-time payment of \$750,000 to be used for operating expenses or other business expenses; a contribution of up to \$500,000 to be used for upgrading the range landing area at the Callaway Golf Center; up to \$750,000 to be used to remodel and improve the facilities at the Callaway Golf Center; and, Callaway will provide staff uniforms, range golf balls, and rental golf equipment. In return, AAGC and Saint Andrews have agreed to exclusively sell Callaway golf products at the Callaway Golf Center for the term of the Customer Agreement which will terminate on December 31, 2013 with notice from Callaway during the preceding month; or, if no notice is given, December 31, 2018. We are recognizing approximately \$30,199 this quarter as income and will continue to recognize monthly income throughout the life of the agreement, which coincides with the golf center land lease.

We believe that the advertising contribution provided by the Customer Agreement will help us to differentiate ourselves in the marketplace. In addition, the \$750,000 of operating cash is expected to give us a competitive edge in the marketplace by allowing us to attract quality employees, grow our business, and improve our services while lowering our interest expenses. The combined contribution of up to \$1,250,000 for improvement of our facilities is expected to provide other competitive advantages, primarily due to the lack of capital available for improvements among our competitors, giving us the benefit of a state-of-the art driving range, upgraded fitting bay technology, graphics, and marketing improvements such as exterior signage. We are in the process of executing on our plans to capture greater market share, and with Callaway s brand strength, help build a lasting, stronger presence in the Las Vegas market.

As part of the Customer Agreement, Callaway Golf will provide up to 15,000 dozen in driving range balls to the facility on a yearly basis as well as all employee uniforms. Prior to this agreement, we were paying approximately \$40,000 a year to supply the driving range with a quality golf ball to enhance their range experience. This will present a significant operational cost saving each year to the facility.

Our agreement with Geneva Landscape Management ended January 31, 2010 after 5 years. Geneva provided all of our landscape needs at approximately \$32,000 a month. We have

taken the grounds keeping for the facility in-house starting February 1, 2010 and feel this will provide an overall savings to the Company as well as allow us to have more of a personal say in the landscape needs of the facility

Results of Operations for the three months ended March 31, 2010 and 2009 compared.

The following tables summarize selected items from the statement of operations for the three months ended March 31, 2010 compared to the three months ended March 31, 2009.

INCOME:

	For the three months ended		Increase (Decrease)	
	2010	March 31, 2009	\$	%
Revenue	\$ 558,571	\$ 550,019	\$ 8,552	1.6 %
Cost of Sales	158,815	104,888	53,927	51.4 %
Gross Profit	\$ 399,756	\$ 445,131	\$ (45,375)	(10.2)%
Gross Profit Percentage of Sales	72 %	81 %		

Revenue

Our revenue for the three months ended March 31, 2010 was \$558,571 compared to revenue of \$550,019 in the three months ended March 31, 2009, an increase of \$8,552, or 1.6% from the same three-month period in the previous year. Revenues have remained steady when compared to the prior year, with a very slight increase.

Cost of sales/Gross profit percentage of sales

Cost of sales currently consists mainly of payroll and benefits expenses of AAGC staff, and operating supplies. Our cost of sales for the three months ended March 31, 2010 was \$158,815, an increase of only \$53,927, or 51.4% from \$104,888 for the three months ended March 31, 2009. Our cost of sales increased due to our decision to take the grounds keeping functions in-house when Geneva Landscape Maintenance contract ended in January of 2010. This decision resulted in the creation of a grounds keeping department with a staff, which we now pay monthly wages.

Gross profit as a percentage of sales decreased from 81% for the three months ended March 31, 2009 to 72% for the three months ended March 31, 2010 due to the increase in our cost of sales associated with the operation of the golf center.

EXPENSES:

	For the Three Months Ended March 31,			
	2010	2009	Increase / (Decrease)	
	Amount	Amount	\$	%
Expenses:				
General & administrative	\$ 425,947	\$ 480,791	\$ (54,844)	(11.41)%
Depreciation	13,337	20,583	(7,246)	(35.21)%
Total expenses	439,284	501,374	(62,090)	(12.4)%
Net operating (loss)	(39,528)	(56,243)	16,715	29.72 %
Other income (expense):				
Interest expense	(111,320)	(128,517)	17,197	13.4 %
Other income	-	(14)	(14)	0
Net loss before non controlling interest	(150,848)	(184,774)	33,926	18.4 %
Net income attributable to noncontrolling interest	(18,039)	-	(18,039)	100 %
Total net (loss)	\$ (168,887)	\$ (184,774)	\$ 15,8874	8.60 %

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2010 were \$425,947, a decrease of \$54,844 or 11.41%, from \$480,791 for the three months ended March 31, 2009. Although the overall expenses related to AAGC are down, the cost of maintaining a public company remain steady, with public company expenses being approximately \$50,000 a year. AAGC's expenses are down primarily due to the Callaway deal that was signed alleviating the purchase of employee uniforms and the fact that our contract with Geneva Landscape Maintenance Company has ended.

Depreciation expense

Depreciation and amortization expenses for the three months ended March 31, 2010 were \$13,337, a decrease of \$7,246, or 35.20%, from \$20,583 for the three months ended March 31, 2009. This decrease has to do with the elimination of some fixed assets at the end of 2009.

Total Expenses

Our overall operating expenses decreased with expenses totaling \$439,284 for the three months ended March 31, 2010 compared to \$501,374 for the three months ended March 31, 2009. The decrease was the result of a combination of factors including a conscious effort to curb expenses whenever possible during the economic downturn, the write

off of fixed assets no

longer in use and the money saved through the golf balls and uniforms received through the Callaway deal.

Net Operating Loss

We had a net operating loss in the amount of \$39,528 for the three months ended March 31, 2010 versus a net operating loss of \$56,243 for the three months ended March 31, 2009 a decrease of \$16,715 or 29.72%.

Interest Expense

Our interest expense decreased 13.38% from \$128,517 for the three months ended March 31, 2009 to \$111,320 for the three months ended March 31, 2010. This is attributed to the pay down of some intercompany debt, as well as the write off of some of the older unused fixed assets the end of 2009.

Net Loss

Our net loss for the three months ended March 31, 2010 in the amount of \$150,848, was a decrease in loss of \$33,926 from the net of \$184,774 for the same period in 2009. This is a decrease of 18.4% over March 2009.

Liquidity and Capital Resources

A critical component of our operating plan impacting our continued existence is the ability to obtain additional capital through additional equity and/or debt financing. We do not anticipate generating sufficient positive internal operating cash flow until such time as we can deliver our product to market, complete additional financial service company acquisitions, and generate substantial revenues, which may take the next few years to fully realize. In the event we cannot obtain the necessary financing, we may have to cease or significantly curtail our operations. This would materially impact our ability to continue operations.

The following table summarizes our current assets, liabilities, and working capital at March 31, 2010 compared to December 31, 2009.

	March 31,	December 31,	Increase / (Decrease)	
	2010	2009	\$	%
Current Assets	\$ 239,761	\$ 297,735	\$ (57,974)	(19.47)%
Current Liabilities	9,325,303	9,215,550	(109,753)	1.01 %
Working Capital Deficit	\$ (9,085,542)	\$ (8,917,815)	(167,727)	(1.02)%

Internal and External Sources of Liquidity

Cash Flow. Since inception, we have primarily financed our cash flow requirements through related party debt transactions. If that source of funding is eliminated it may have a material, adverse affect on our operations. We are currently operating at a loss but with positive cash flow because of deferring related party payables and interest payments. Though this has allowed us to currently minimize the deferral of our payables, we continue to depend on this source of financing. Should we lose our ability to defer those payables, without a return to profitability, our cash resources will be limited. On July 1, 2009, we received an initial payment of \$750,000 from Callaway Golf Company as part of a \$2,750,000 deal to keep Callaway Golf Company involved in our facility through 2018. This agreement called for remodeling of the present facilities and range landing area, as well as marketing dollars, driving range golf balls and employee uniforms.

Satisfaction of our cash obligations for the next 12 months.

As of March 31, 2010, our cash balance was \$209,321. Our plan for satisfying our cash requirements for the next twelve months is by relying less on-related party financing and using the funds available through our Callaway Golf agreement to help with any cash flow deficiencies. Because we have not anticipated generating sufficient amounts of positive cash flow to meet our working capital requirements, we have secured a customer agreement with Callaway Golf that will add additional capital to help fund our operations.

Given our operating history, predictions of future operating results are difficult to make. Thus, our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their various stages of commercial viability. Such risks include, but are not limited to, an evolving business model and the management of growth. To address these risks we, among other things, plan to continue to modify our business plan, implement and execute our marketing strategy, develop and upgrade our facilities in a response to our competitor s developments.

Expected purchase or sale of plant and significant equipment.

Pursuant to the agreement entered into on June 19, 2009 with Callaway Golf Company and St. Andrews Golf Shop, we spent approximately \$1,200,000 towards the improvements to our existing facility. The total amount spent on these capital improvements were directly provided by Callaway Golf Company pursuant to our Customer Agreement with them. These improvements were finished on November 25, 2009.

Going Concern

The financial statements included in this filing have been prepared in conformity with generally accepted accounting principles that contemplate the continuance of the Company as a going concern. Management intends to use borrowings and security sales to mitigate the effects of its cash position, however no assurance can be given that debt or equity financing, if and when required will be available. The financial statements do not include any adjustments relating to the

recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue existence.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results or operations, liquidity, capital expenditures or capital resources that is material to investors.

Critical Accounting Policies and Estimates

Stock-based Compensation: In accordance with accounting standards concerning Stock-based Compensation, the company accounts for all compensation related to stock, options or warrants using a fair value based method in which compensation cost is measured at the grant date based on the value of the award and is recognized over the service period. The Company uses the Black-Scholes pricing model to calculate the fair market value of options and warrants issued to both employees and non-employees. Stock issued for compensation is valued on the date of the related agreement and using the market price of the stock.

Related party transactions : In accordance with accounting standards concerning related party transactions, there now are established requirements for related party disclosures and the policy provides guidance for the disclosures of transactions between related parties.

Subsequent events: In accordance with accounting standards concerning subsequent events, states that a company is not required to disclose the date through with subsequent events have been evaluated. The adoption of this ASU did not have a material impact on our consolidated financial statements.

Recent Accounting Developments

The FASB Accounting Standards Codification is the single official source of authoritative, nongovernmental, U.S. GAAP, in addition to guidance issued by the Securities and Exchange Commission. This codification is designed to simplify U.S. GAAP into a single, topically ordered structure.

The Consolidation of Variable Interest Entities addresses the effect of the elimination of the qualifying special-purpose entity concept of Accounting for Transfers of Financial Assets. This also amends the accounting and disclosure requirements of FASB to enhance the timeliness and usefulness of information about a company's involvement in a variable interest entity.

In accordance with accounting standards *Accounting for Transfers of Financial Assets*, the objective eliminates the concept of special-purpose entity, requiring the reporting entity to provide more information about sales of securitized financial assets and similar transactions, particularly if the seller retains some risk to the assets, changes the requirements for the de-

recognition of financial assets, and provides for the sellers of the assets to make additional disclosures.

In accordance with accounting standards concerning *The Fair Value Option for Financial Assets and Financial Liabilities* relates to providing guidance on when the volume and level of activity for the asset or liability have significantly decreased and identifying transactions that are not orderly. The update clarifies the methodology to be used to determine fair value when there is no active market or where the price inputs being used represent distressed sales. The update also reaffirms the objective of fair value measurement, which is to reflect how much an asset would be sold in an orderly transaction, and the need to use judgment to determine if a formerly active market has become inactive.

Fair Value Measurements and Disclosures clarifies the fair market value measurement of liabilities. In circumstances where a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: a technique that uses quoted price of the identical or a similar liability or liabilities when traded as an asset or assets, or another valuation technique that is consistent with the principles such as income or market approach.

Fair value measurements: An update to the accounting standards concerning fair value measurements was made in January of 2010 whereby there now exists significant transfers in and out of Levels 1 and 2 and additional disclosures that must be made for activity in Level 3. We do not anticipate the adoption of this ASU to have a material impact on our consolidated financial statements.

Receivable Loans and Debt Securities Acquired with Deteriorated Credit Quality: An improvement to the comparability by elimination of diversity in practice about treatment of modifications of loans accounted for within pools for Receivable Loans and debt securities acquired with deteriorated credit quality was approved in April 2010. The amendment clarifies guidance about maintaining the integrity of a pool as the unit of accounting for acquired loans with credit deterioration. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES .

Our Chief Executive Officer and Principal Financial officer, Ronald Boreta, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this quarterly report on Form 10-Q. Based on this evaluation, our Chief Executive Officer concluded that, as of September 30, 2009,

our disclosure controls and procedures are effective in ensuring that the 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 Securities and Exchange Commission rules and forms.

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter 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 .

There are no legal proceedings in which the Company is involved at this time.

ITEM 1A. RISK FACTORS .

Not required.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS .

We did not have any unregistered sales of equity securities during the quarter ended March 31, 2010.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the quarter ended March 31, 2010.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES .

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS .

We did not submit any matters to a vote of our security holders during the third quarter of 2009.

ITEM 5. OTHER INFORMATION .

None.

ITEM 6. EXHIBITS.

Exhibit number	Exhibit description	Filed herewith	Form	Incorporated by reference		
				Period ending	Exhibit No.	Filing date
31.1	Certification of Chief Executive and Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
32.1	Certification of Chief Executive and Principal Financial Officer Pursuant to Section 906 of the	X				

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALL-AMERICAN SPORTPARK, INC.
(Registrant)

Date: May 17, 2010

By: /s/ Ronald Boreta

Ronald Boreta, President, Chief Executive Officer,
and Treasurer (On behalf of the Registrant and as
Principal Financial Officer)