

FULL HOUSE RESORTS INC
Form 10QSB
November 13, 2001

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10 QSB

ý **QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2001.**

OR

o **TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____.**

Commission File No. 0 20630

FULL HOUSE RESORTS, INC.

(Exact name of small business issuer as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

13 3391527

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

2300 W. Sahara Ave., Suite 450, Box 23, Las Vegas, Nevada

(Address of principal executive offices)

89102

(zip code)

Edgar Filing: FULL HOUSE RESORTS INC - Form 10QSB

(702) 221 7800

(Registrant's telephone number)

Check whether the issuer (1) 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 (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

APPLICABLE ONLY TO CORPORATE ISSUERS

As of November 10, 2001, Registrant had 10,340,380 shares of its \$.0001 par value common stock outstanding.

FULL HOUSE RESORTS, INC.

TABLE OF CONTENTS

PART I. Financial Information

Item 1. Unaudited Condensed Consolidated Financial Statements

Unaudited Condensed Consolidated Balance Sheets as of September 30, 2001 and December 31, 2000

Unaudited Condensed Consolidated Statements of Operations for the three months ended September 30, 2001 and 2000

Unaudited Condensed Consolidated Statements of Operations for the nine months ended September 30, 2001 and 2000

Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2001 and 2000

Notes to Unaudited Condensed Consolidated Financial Statements

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

PART II. Other Information

Signatures

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	SEPTEMBER 30, 2001	DECEMBER 31, 2000
CURRENT ASSETS:		
Cash and cash equivalents	\$ 279,083	\$ 455,143
Receivables	315,693	-
Prepaid expenses	149,765	92,804
Total current assets	744,541	547,947
LAND HELD FOR DEVELOPMENT	2,472,000	4,621,670
FIXTURES AND EQUIPMENT, net	29,020	47,202
INVESTMENTS IN JOINT VENTURES	352,138	3,192,634
GOODWILL, net	-	379,713
NOTES RECEIVABLE	957,291	1,667,269
GAMING CONTRACT RIGHTS, net	5,453,594	-
DEFERRED TAX ASSET	1,491,925	294,900
DEPOSITS AND OTHER ASSETS	14,782	2,701,344
TOTAL	\$ 11,515,291	\$ 13,452,679
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 16,265	\$ 18,106
Payable to joint ventures	-	27,831
Current portion of long-term debt	3,000,000	-
Accrued expenses	141,849	182,024
Total current liabilities	3,158,114	227,961
LONG TERM DEBT, net of current portion	900,000	3,150,000
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Cumulative preferred stock, par value \$.0001, 5,000,000 shares authorized; 700,000 shares issued and outstanding; aggregate	70	70

Edgar Filing: FULL HOUSE RESORTS INC - Form 10QSB

liquidation preference of \$4,042,500 and \$3,885,000

Common stock, par value \$.0001, 25,000,000 shares authorized; 10,340,380 shares issued and outstanding	1,034	1,034
Additional paid in capital	17,429,889	17,429,889
Accumulated deficit	(9,973,816)	(7,356,275)
Total stockholders' equity	7,457,177	10,074,718
TOTAL	\$ 11,515,291	\$ 13,452,679

See notes to unaudited condensed consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED	
	SEPTEMBER 30,	
	2001	2000
OPERATING REVENUES:		
Joint ventures	\$ 911,025	\$ 1,132,115
Management fees	628,071	-
Total operating revenues	1,539,096	1,132,115
OPERATING COSTS AND EXPENSES:		
Joint venture pre-opening costs	-	255,188
Development costs	408,586	-
General and administrative	388,908	464,314
Impairment	4,593,800	-
Depreciation and amortization	187,971	132,634
Total operating costs and expenses	5,579,265	852,136
INCOME (LOSS) FROM OPERATIONS	(4,040,169)	279,979
Interest expense	(75,216)	(84,257)
Interest and other income	2,235	2,460
INCOME (LOSS) BEFORE INCOME TAXES	(4,113,150)	198,182
INCOME TAX BENEFIT (PROVISION)	1,349,589	(137,989)
NET INCOME (LOSS)	(2,763,561)	60,193
Less, undeclared dividends on cumulative preferred stock	52,500	52,500
NET INCOME (LOSS) APPLICABLE TO COMMON SHARES	\$ (2,816,061)	\$ 7,639

Edgar Filing: FULL HOUSE RESORTS INC - Form 10QSB

NET INCOME (LOSS) PER COMMON SHARE, Basic and Diluted	\$	(0.27)	\$	0.00
<hr/>				
Weighted average number of common shares Outstanding, Basic and Diluted		10,340,380		10,340,380

See notes to unaudited condensed consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	NINE MONTHS ENDED			
	SEPTEMBER 30,			
	2001		2000	
OPERATING REVENUES:				
Joint ventures	\$	2,717,790	\$	2,899,428
Management fees		1,221,496		-
Total operating revenues		3,939,286		2,899,428
OPERATING COSTS AND EXPENSES:				
Joint venture pre-opening costs		122,441		512,781
Development costs		855,519		-
General and administrative		1,267,827		1,389,301
Impairment		4,593,800		-
Depreciation and amortization		503,369		398,249
Total operating costs and expenses		7,342,956		2,300,331
INCOME (LOSS) FROM OPERATIONS		(3,403,670)		599,097
Interest expense		(234,900)		(249,563)
Interest and other income		8,416		8,364
INCOME (LOSS) BEFORE INCOMES TAXES		(3,630,154)		357,898
INCOME TAX BENEFIT (PROVISION)		1,012,613		(333,011)
NET INCOME (LOSS)		(2,617,541)		24,887
Less, undeclared dividends on cumulative preferred stock		157,500		157,500
NET INCOME (LOSS) APPLICABLE TO COMMON SHARES	\$	(2,775,041)	\$	(132,613)
NET INCOME (LOSS) PER COMMON SHARE, Basic and Diluted	\$	(0.27)	\$	(0.01)

Edgar Filing: FULL HOUSE RESORTS INC - Form 10QSB

Weighted average number of common shares

Outstanding, Basic and Diluted	10,340,380	10,340,380
--------------------------------	------------	------------

See notes to unaudited condensed consolidated financial statements.

FULL HOUSE RESORTS, INC. AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	NINE MONTHS ENDED	
	SEPTEMBER 30,	
	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (2,617,541)	\$ 24,887
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	503,369	398,249
Amortization of deferred compensation expense	-	41,580
Impairment	4,593,800	